Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, April 11, 2018
7:00 pm
Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

AGENDA

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda
The public may provide comments on any item not on the Agenda. Speakers are limited to 3 minutes each.

Consent Calendar (Action)

1a) Approve Minutes of the March 14, 2018, Board of Directors Meeting
1b) Customer Program Advisory Group Report
1c) February 2018 Treasurer Report
1d) Approve the Cancellation of the August 8, 2018 Board of Directors Meeting
1e) Authorize CEO to Execute First Amendment to the Agreement with Above the Fold Designs for Graphic and Web Design Services
1f) Authorize CEO to Execute Confirmation Agreements and Master EEI Agreement with Calpine Energy Services, L.P. to Acquire Resource Adequacy Capacity for 2019 to 2023
1g) Adopt Resolution Amending the SVCE Operating Rules and Regulations to Reduce the Membership of the Executive Committee from Six Members to Five Members

Regular Calendar

2) CEO 30-day Organization Assessment, Priorities and Adopt Resolution Amending the Organization Chart, Job Classifications, and Salary Schedule (Action)
3) SVCE Board of Directors Workshop Series (Action)

4) CEO Report (Discussion)

5) Executive Committee Report (Discussion)

6) Finance and Administration Committee Report (Discussion)

7) Legislative Ad Hoc Committee Report (Discussion)

Board Member Announcements and Direction on Future Agenda Items

Adjourn

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the Clerk for the Authority at (408) 721-5301 x1005. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.105 ADA Title II).
Call to Order

Chair Corrigan called the meeting to order at 7:00 p.m.

Roll Call

Present:
Chair Courtenay Corrigan, Town of Los Altos Hills
Vice Chair Margaret Abe-Koga, City of Mountain View
Director Marsha Grilli, City of Milpitas
Alternate Director Anthony Eulo, City of Morgan Hill
Director Nancy Smith, City of Sunnyvale
Director Howard Miller, City of Saratoga
Alternate Director Barry Chang, City of Cupertino (arrived at 7:02 p.m.)
Director Rob Rennie, Town of Los Gatos
Director Daniel Harney, City of Gilroy (arrived at 7:02 p.m.)
Director Liz Gibbons, City of Campbell
Director Jeannie Bruins, City of Los Altos
Director Burton Craig, City of Monte Sereno

Absent:
Director Dave Cortese, County of Santa Clara

Public Comment on Matters Not Listed on the Agenda

No speakers.

Chair Corrigan provided brief comments regarding meeting process.

Consent Calendar

MOTION: Director Miller moved and Director Bruins seconded the motion to approve the Consent Calendar.

Chair Corrigan opened public comment. 
No speakers. 
Chair Corrigan closed public comment.
The motion carried unanimously with Director Cortese absent.

1a) Approve Minutes of the February 14, 2018 Board of Directors Meeting
1b) Customer Program Advisory Group Report
1c) January 2018 Treasurer Report
1d) Authorize CEO to Execute Agreement with Maher Accountancy for Accounting Services
1e) Authorize CEO to Execute Amended Engagement Letter Clarifying Not-to-Exceed Amount per Fiscal Year, and a New Letter of Engagement For Services Related to the 2017 Renewables RFO, with Troutman Sanders LLP
1f) Approve Amendment to FP1, Accounting Policy, to Remove Mention of Finance and Audit Committee and Replace with Audit Committee and Finance and Administration Committee
1g) Approve Amended SVCE Legislative Platform

Regular Calendar

2) Adopt Resolution to Approve SVCE Rate Schedules effective April 1, 2018 (Action)

CEO Girish Balachandran provided brief introductory comments. Manager of Account Services Don Bray presented a PowerPoint presentation, responded to Board questions, and provided information on an “All 5%” option at the request of Board members. Chair Corrigan provided information on the Executive Committee’s recommendation on the item.

Chair Corrigan opened public comment.

Bruce Karney, Mountain View resident, supported the options presented by Staff and noted if the Board moves forward with either option in increasing the reward to customers, there would be an easy message to communicate. Karney suggested SVCE should err on the side of caution and the “All 5%” option would be a less risky approach.

Chair Corrigan closed public comment.

Board members and Staff discussed the options presented and SVCE financials.

MOTION: Director Craig moved and Director Rennie seconded the motion to adopt alternate Resolution 2018-04, adopting the “All 5%” rate structure, establishing the new SVCE electric rates effective April 1, 2018.

The motion failed by the following roll call vote:

Yes: 5 - Director Miller
Alternate Director Chang
Director Rennie
Director Bruins
Director Craig

No: 7 - Director Grilli
Alternate Director Eulo
Director Smith
Chair Corrigan
Vice Chair Abe-Koga
Director Harney
Director Gibbons

Absent: 1 - Director Cortese
MOTION: Director Miller moved and Alternate Director Eulo seconded the motion to approve Resolution 2018-04, adopting the “All 6%” rate structure, establishing the new SVCE electric rates effective April 1, 2018.

The motion carried by the following roll call vote:

Yes: 8 - Director Grilli
  Alternate Director Eulo
  Director Smith
  Director Miller
  Chair Corrigan
  Vice Chair Abe-Koga
  Director Harney
  Director Gibbons

No: 4 - Alternate Director Chang
  Director Rennie
  Director Bruins
  Director Craig

Absent: 1 - Director Cortese

3) 2018 SVCE Mid-Year Budget (Action)

CEO Balachandran introduced the item; Director of Administration and Finance Don Eckert presented a PowerPoint presentation. Director of Administration and Finance Eckert responded to Board questions.

Chair Corrigan opened public comment.
No speakers.
Chair Corrigan closed public comment.

MOTION: Director Miller moved and Director Harney seconded the motion to adopt the recommended changes for the 2018 SVCE Mid-Year Budget.

Alternate Director Eulo invited Staff to consider additional investments SVCE should make in legislative efforts when the staffing plan is brought to the Board at the next Board meeting.

The motion carried unanimously with Director Cortese absent.

4) Authorize CEO to Execute Agreement with Freelance Media Buying for Media Strategy, Media Planning and Buying Services (Action)

CEO Balachandran introduced the item; Community Outreach Manager Pamela Leonard presented a PowerPoint presentation. Community Outreach Manager Leonard responded to Board questions.

Director Miller requested Staff include the World Journal and Independent Journal in print media and interview follow ups; Community Outreach Manager Leonard noted that although the agreement being discussed did not include these publications, there would be advertising campaigns with other ethnic media groups.

Chair Corrigan requested Staff stay in touch with Director Grilli regarding the media strategy for the roll out of Milpitas.
MOTION: Director Bruins moved and Alternate Director Eulo seconded the motion to authorize the CEO to execute an agreement with Freelance Media Buying for media strategy, media planning and buying services.

The motion carried unanimously with Director Cortese absent.

5) CEO Report

CEO Balachandran provided welcome comments, thanked Staff for their work in the absence of a permanent CEO, and noted he will continue to reach out to Board members to get to know them better and their thoughts on how to make the entire capacity to achieve SVCE’s mission more effective. CEO Balachandran noted he has met with other Board members of CalCCA and will take 60 days to complete an initial assessment on the direction that SVCE should be headed. CEO Balachandran reported SVCE received a California Society of Municipal Finance Officers (CSMFO) budget award.

6) Executive Committee Report

Chair Corrigan reported the Executive Committee met February 27 and selected a Chair, Chair Corrigan, and Vice-Chair, Vice-Chair Abe Koga. On ongoing meeting date and time was set, the fourth Tuesday of every month at 11:30 a.m. at the SVCE office, and the Committee discussed the proposed 2018 rates and advertising overview that were discussed in Items 2 and 4.

7) Finance and Administration Committee Report

Director Craig reported the Finance and Administration Committee met March 9 and selected Director Craig to serve as Chair and Director Miller to serve as Vice Chair of the committee. Quarterly meeting dates were set, and the committee reviewed the FY 2017-18 Mid-Year Operating Budget, Agreement with Maher Accounting, and the CSMFO Budget award which were discussed in previous items. Director Craig noted Staff provided a year-to-date financial review and discussed the potential of establishing a line of credit, and announced the next Finance and Administration committee meeting is scheduled for May 30, 11 a.m., at the SVCE Office in Sunnyvale.

8) Legislative Ad Hoc Committee Report

Director Smith reported the Legislative Ad Hoc Committee met March 6 and discussed updates on key regulatory matters including Resolution E-4907 and integrated resource planning. The Committee also reviewed SVCE’s legislative platform and suggested the changes presented to the Board in Consent Calendar Item 1g. Director Smith noted Staff provided an overview of key CCA-relevant bills, and a plan was outlined for an outreach day in Sacramento. The next meeting date for the Legislative Ad Hoc Committee had not been set, but would be scheduled before the Sacramento outreach day.

Board Member Announcements and Direction on Future Agenda Items

Director Bruins commented on the Back to the Future team photo featured in the CEO Report and expressed support of the Los Altos high schools participating.

Alternate Director Eulo requested an introduction of new staff member Julia Dagum; CEO Balachandran provided an introduction and Community Outreach Coordinator Dagum included additional information on projects she will be working on. Alternate Director Eulo acknowledged Dennis Dyc-O’Neal on his promotion.
Director Smith welcomed Community Outreach Coordinator Dagum and thanked Community Outreach Manager Leonard for attending the City of Sunnyvale’s Climate Action Plan 2.0 event. Director Smith noted many ideas developed from the event to take action and encouraged the SVCE Board to provide input; Director Smith commented she would send the document to Staff to distribute to the Board.

Alternate Director Chang announced the G50 Global Smart Cities event hosted by Cupertino and Santa Clara on April 6, with special guest speaker Hyperloop CEO Dirk Ahlborn. Alternate Director Chang invited fellow elected officials to attend and announced that almost every Wednesday until April 6 a press conference would be held.

Director Harney thanked Staff for hosting the open house the previous week announced a local start-up company in Gilroy called Symmetry will be launching a new product called Energy of Things on March 21, Wednesday at Mosaic Restaurant in San Jose.

Chair Corrigan noted Directors can contact her if they would prefer an alternate seating assignment at the dais, welcomed CEO Girish, and notified the Board that she welcomed any feedback and that any questions can be directed to Staff prior to the Board meetings, as well.

**Adjourn**

Chair Corrigan adjourned the meeting at 8:58 p.m.
To: Silicon Valley Clean Energy Board of Directors
From: Peter Evans, CPAG Chair

**Item 1b: Customer Program Advisory Group Report**

Date: 4/11/2018

**REPORT**
The third Customer Program Advisory Group (CPAG) meeting was held on March 21, 2018 at the Campbell Community Center.

The CPAG meeting agenda and summary report are listed below.

**Consent Calendar**
1) Approve Minutes of the February 21, 2018, Customer Program Advisory Group Meeting

**Regular Calendar**
2) Further Develop List of SVCE Candidate Programs (Discussion)
3) Seeking Community Input on Program Ideas (Discussion)

The meeting opened with a brainstorm activity to get the group thinking about energy solutions that could make a residential living situation more comfortable in a common multi-family home scenario.

Afterwards, CPAG members were asked to continue to brainstorm program ideas around the benefits that were identified at the February meeting. After this brainstorm period, the groups formed smaller sub-groups around the benefit areas to categorize similar program ideas. This led the group to come up with a set of topics to form sub-committees that would further delve into program ideas in those areas. The sub-committees were tasked to further flesh out program ideas in the following:

- **Multi-family residents** (Program accessibility to non-owner residents in multi-unit dwellings)
- **Electrification Migration** (Fuel-switching devices, excluding EVs. Space and water heating; appliance-level focused)
- **Readiness for Electrification** (building codes; upgrades that consider future uses)
- **EV Charging** (managed charging; more charging infrastructure)
- **Connected Homes** (home device demand management through, e.g. web-connected thermostats)

Sub-committees are currently meeting to provide program briefs in each of the areas listed above. Members are also spending the time between the March and April meetings collecting broader community input on program ideas. SVCE staff provided a sample template that could be used on social media such as Facebook groups and Nextdoor, at community meetings, or any other community affiliations among each of the CPAG members.
The next regularly scheduled CPAG meeting will take place on April 18, from 11 a.m. – 1 p.m., at the Campbell Community Center, Roosevelt Room Q-80.
TREASURER REPORT

Fiscal Year to Date
As of February 28, 2018

(Preliminary & Unaudited)

Issue Date: April 11, 2018

Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary</td>
<td>2-3</td>
</tr>
<tr>
<td>Statement of Net Position</td>
<td>4</td>
</tr>
<tr>
<td>Statement of Revenues, Expenses &amp; Changes in Net Position</td>
<td>5</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>6-7</td>
</tr>
<tr>
<td>Actuals to Budget Report</td>
<td>8-9</td>
</tr>
<tr>
<td>Monthly Change in Net Position</td>
<td>10</td>
</tr>
<tr>
<td>Personnel Report</td>
<td>11</td>
</tr>
<tr>
<td>Financing Report</td>
<td>12</td>
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<tr>
<td>Customer Accounts</td>
<td>13</td>
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<tr>
<td>Weather Statistics</td>
<td>14</td>
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<tr>
<td>Accounts Receivable Aging Report</td>
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</table>
Financial Highlights for the month of February 2018:
SVCE amended the budget at the March 14, 2018 Board Meeting. Significant changes made to the budget include the impact of Milpitas in June 2018, the favorable change in rates effective April 2018, and a reduction in current load by 5% to reflect historical performance.

- SVCE operations resulted in net gain for the month of $0.1 million and year-to-date of $12.1 million.
- Year-to-date energy sales has an unfavorable variance of 1% compared to budget.
- The amended budget includes continued rates through March and a rate adjustment that positions SVCE to be on average 6% below PG&E.
- Year-to-date contribution margin is $13.9 million.

- Retail GWh sales had an unfavorable variance to budget of 1.1%.
- As part of the mid-year budget process, forecasted load was reduced by 5%.
- Budget through January was adjusted to match actuals performance. Forecasted GWh sales for the fiscal year is 3,600.

- Power Supply
  - SVCE was a net seller of power to CAISO during the month.
  - Power Supply budget was adjusted in the mid-year process to include the serving of Milpitas and the reduction in current load by 5%.

- Programs/Capital
  - Year-to-date programs activity includes GHG accounting services.
  - A Customer Program Advisory Group was initiated in January 2018. Recommendations are expected at the June 2018 Board of Directors meeting.

- Financing - SVCE is debt free at the end of January 2018.
  - The $2.7 million Member Agency loan was paid off at the end of the January 2018.
  - The $2.9 million balance from advances on the revolving line of credit was paid off in December 2017.

### Change in Net Position

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<th>Month</th>
<th>Actual</th>
<th>Amended Budget</th>
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<tr>
<td>Oct</td>
<td>6,742</td>
<td>12,079</td>
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<tr>
<td>Nov</td>
<td>1,818</td>
<td>55,906</td>
</tr>
<tr>
<td>Dec</td>
<td>578</td>
<td></td>
</tr>
<tr>
<td>Jan</td>
<td>2,847</td>
<td></td>
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<tr>
<td>Feb</td>
<td>94</td>
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### Power Supply Costs

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<tr>
<th>Item</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
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<tbody>
<tr>
<td>Energy &amp; REC’s</td>
<td>13,251</td>
<td>12,727</td>
<td>14,439</td>
<td>13,620</td>
<td>14,992</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>69,029</td>
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<tr>
<td>Capacity</td>
<td>275</td>
<td>743</td>
<td>657</td>
<td>724</td>
<td>742</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td>3,141</td>
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<td>CAISO Charges</td>
<td>1,034</td>
<td>534</td>
<td>2,813</td>
<td>882</td>
<td>1,292</td>
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<td>6,555</td>
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<td>NEM Expense</td>
<td>44</td>
<td>(19)</td>
<td>(47)</td>
<td>(63)</td>
<td>(4)</td>
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<td>(89)</td>
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<td>Charge/Credit (IST/Net Rev)</td>
<td>591</td>
<td>(1,127)</td>
<td>(1,829)</td>
<td>(2,934)</td>
<td>(2,789)</td>
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<td>(8,087)</td>
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<td>Net Power Costs</td>
<td>15,195</td>
<td>12,859</td>
<td>16,034</td>
<td>12,228</td>
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<td>70,550</td>
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### Other

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<tr>
<th>Item</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
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<tr>
<td>Capital Expenditures</td>
<td>-</td>
<td>-</td>
<td>9</td>
<td>2</td>
<td>-</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11</td>
</tr>
<tr>
<td>Energy Programs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td>-</td>
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<td></td>
<td></td>
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<td></td>
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<td></td>
<td>14</td>
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</table>

### Load Statistics - GWh

<table>
<thead>
<tr>
<th>Item</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
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<tr>
<td>Retail Sales Actual</td>
<td>285</td>
<td>266</td>
<td>295</td>
<td>278</td>
<td>254</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,378</td>
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<tr>
<td>Retail Sales Budget</td>
<td>285</td>
<td>266</td>
<td>295</td>
<td>278</td>
<td>269</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>1,393</td>
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Other Statistics and Ratios

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
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<tbody>
<tr>
<td>Working Capital</td>
<td>$39,960,265</td>
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<tr>
<td>Current Ratio</td>
<td>2.3</td>
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<tr>
<td>Contribution Margin</td>
<td>$13,816,833</td>
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<tr>
<td>Expense Coverage Days</td>
<td>60</td>
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<tr>
<td>Return on Equity</td>
<td>30%</td>
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<tr>
<td>Long-Term Debt</td>
<td>$0</td>
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<tr>
<td>Total Accounts</td>
<td>242,315</td>
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<tr>
<td>Opt-Out Accounts</td>
<td>7,643</td>
</tr>
<tr>
<td>Opt-Up Accounts</td>
<td>2,402</td>
</tr>
</tbody>
</table>

Retail Sales - Month

- Actual: 15.0
- Budget: 14.9
- FY16/17: 0

Retail Sales - YTD

- Actual: 86.3
- Budget: 86.7
- FY16/17: 0

O&M - Month

- Actual: 14.9
- Budget: 15.2
- FY16/17: 0.5

O&M - YTD

- Actual: 74.3
- Budget: 74.2
- FY16/17: 1.1
SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION
As of February 28, 2018

ASSETS

Current Assets
Cash & Cash Equivalents $ 42,097,509
Accounts Receivable, net of allowance 13,852,036
Energy Settlements Receivable 346,605
Accrued Revenue 10,052,098
Other Receivables 212,470
Prepaid Expenses 252,520
Deposits 1,700,000
Restricted cash - lockbox 2,500,000
Total Current Assets 71,013,238

Noncurrent assets
Capital assets, net of depreciation 163,528
Deposits 129,360
Total Noncurrent Assets 292,888

Total Assets 71,306,126

LIABILITIES

Current Liabilities
Accounts Payable 218,943
Accrued Cost of Electricity 28,413,949
Accrued Payroll & Benefits 189,882
Other Accrued Liabilities 401,500
User Taxes and Energy Surcharges due to other gov'ts 643,699
Supplier Security Deposits 1,185,000
Total Current Liabilities 31,052,973

NET POSITION

Net investment in capital assets 163,528
Unrestricted (deficit) 40,089,625
Total Net Position $ 40,253,153


**SILICON VALLEY CLEAN ENERGY AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**October 1, 2017 through February 28, 2018**

**OPERATING REVENUES**
- Electricity Sales, Net $ 85,973,717
- GreenPrime electricity premium 277,962
- Other income 30,750

**TOTAL OPERATING REVENUES** 86,282,429

**OPERATING EXPENSES**
- Cost of Electricity 70,550,596
- Staff Compensation and benefits 933,747
- Data Management 1,388,118
- Service Fees - PG&E 526,882
- Consultants and Other Professional Fees 341,961
- Legal 141,403
- Communications & Noticing 76,966
- General & Administrative 354,792
- Depreciation 14,642

**TOTAL OPERATING EXPENSES** 74,329,107

**OPERATING INCOME(LOSS)** 11,953,322

**NONOPERATING REVENUES (EXPENSES)**
- Interest Income
- Interest and related expenses (15,666)

**TOTAL NONOPERATING EXPENSES** (15,666)

**CHANGE IN NET POSITION**
- Net Position at beginning of period 28,315,497
- Net Position at end of period $ 40,253,153
# CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from electricity sales</td>
<td>$98,621,311</td>
</tr>
<tr>
<td>Receipts from other income</td>
<td>30,750</td>
</tr>
<tr>
<td>Receipts from supplier security deposits</td>
<td>1,185,000</td>
</tr>
<tr>
<td>Tax and surcharge receipts from customers</td>
<td>2,128,089</td>
</tr>
<tr>
<td>Energy settlements received</td>
<td>4,798,451</td>
</tr>
<tr>
<td>Deposits and collateral received</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Payments to purchase electricity</td>
<td>(69,821,050)</td>
</tr>
<tr>
<td>Payments for staff compensation and benefits</td>
<td>(828,660)</td>
</tr>
<tr>
<td>Payments for data manager fees</td>
<td>(1,660,901)</td>
</tr>
<tr>
<td>Payments for PG&amp;E service fees</td>
<td>(508,426)</td>
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<tr>
<td>Payments for consultants and other professional services</td>
<td>(359,737)</td>
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<tr>
<td>Payments for legal fees</td>
<td>(133,400)</td>
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<tr>
<td>Payments for communications and noticing</td>
<td>(83,118)</td>
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<td>Payments for general and administrative</td>
<td>(363,596)</td>
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<tr>
<td>Energy settlements paid</td>
<td>(3,347,435)</td>
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<td>Payments of deposits and collateral</td>
<td>(663,000)</td>
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<tr>
<td>Tax and surcharge payments to other governments</td>
<td>(2,176,810)</td>
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</table>

Net cash provided (used) by operating activities                | **29,017,468** |

## CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

<table>
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<th>Description</th>
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<td>Principal payments on loan</td>
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<tr>
<td>Interest and related expense payments</td>
<td>(22,892)</td>
</tr>
</tbody>
</table>

Net cash provided (used) by non-capital financing activities     | **(5,652,892)** |

## CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of capital assets</td>
<td>(10,664)</td>
</tr>
</tbody>
</table>

## CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income received</td>
<td>-</td>
</tr>
</tbody>
</table>

Net change in cash and cash equivalents                          | 23,353,912   |
Cash and cash equivalents at beginning of year                    | 21,243,597   |
Cash and cash equivalents at end of period                         | **$44,597,509** |
## SILICON VALLEY CLEAN ENERGY AUTHORITY

### STATEMENT OF CASH FLOWS (Continued)
October 1, 2017 through February 28, 2018

### RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (loss)</td>
<td></td>
<td>$11,953,322</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided (used) by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td></td>
<td>14,642</td>
</tr>
<tr>
<td>Revenue reduced for uncollectible accounts</td>
<td></td>
<td>435,583</td>
</tr>
<tr>
<td>(Increase) decrease in net accounts receivable</td>
<td></td>
<td>7,132,731</td>
</tr>
<tr>
<td>(Increase) decrease in energy settlements receivable</td>
<td></td>
<td>(80,277)</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
<td></td>
<td>(12,470)</td>
</tr>
<tr>
<td>(Increase) decrease in accrued revenue</td>
<td></td>
<td>4,924,224</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td></td>
<td>(180,678)</td>
</tr>
<tr>
<td>(Increase) decrease in current deposits</td>
<td></td>
<td>1,537,000</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td></td>
<td>(631,279)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued payroll &amp; benefits</td>
<td></td>
<td>104,859</td>
</tr>
<tr>
<td>Increase (decrease) in supplier security deposits</td>
<td></td>
<td>1,185,000</td>
</tr>
<tr>
<td>Increase (decrease) in accrued cost of electricity</td>
<td></td>
<td>2,425,838</td>
</tr>
<tr>
<td>Increase (decrease) in accrued liabilities</td>
<td></td>
<td>380,600</td>
</tr>
<tr>
<td>Increase (decrease) taxes and surcharges due to other governments</td>
<td></td>
<td>(171,627)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td></td>
<td><strong>$29,017,468</strong></td>
</tr>
</tbody>
</table>
# Budgetary Comparison Schedule

## October 1, 2017 through February 28, 2018

### Revenues & Other Sources

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended Budget</th>
<th>Variance</th>
<th>FY 2017-18 Amended Budget</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Sales</td>
<td>$ 85,973,717</td>
<td>$ 86,442,338</td>
<td>$(468,621)</td>
<td>$ 253,508,101</td>
<td>-1%</td>
</tr>
<tr>
<td>Green Prime Premium</td>
<td>277,962</td>
<td>266,886</td>
<td>11,076</td>
<td>609,889</td>
<td>4%</td>
</tr>
<tr>
<td>Other Income</td>
<td>30,750</td>
<td>33,250</td>
<td>(2,500)</td>
<td>50,750</td>
<td>-8%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100,000</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Revenues &amp; Other Sources</strong></td>
<td><strong>86,282,429</strong></td>
<td><strong>86,742,474</strong></td>
<td><strong>(460,045)</strong></td>
<td><strong>254,268,741</strong></td>
<td><strong>-1%</strong></td>
</tr>
</tbody>
</table>

### Expenditures & Other Uses

#### Current Expenditures

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended Budget</th>
<th>Variance</th>
<th>FY 2017-18 Amended Budget</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Supply</td>
<td>70,550,596</td>
<td>70,041,056</td>
<td>(509,540)</td>
<td>182,561,000</td>
<td>39%</td>
</tr>
<tr>
<td>Data Management</td>
<td>1,388,118</td>
<td>1,378,460</td>
<td>(9,658)</td>
<td>3,276,512</td>
<td>42%</td>
</tr>
<tr>
<td>PG&amp;E Fees</td>
<td>526,882</td>
<td>526,759</td>
<td>(123)</td>
<td>866,912</td>
<td>59%</td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>933,747</td>
<td>1,077,818</td>
<td>144,071</td>
<td>3,555,301</td>
<td>26%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>469,526</td>
<td>552,083</td>
<td>82,557</td>
<td>1,325,000</td>
<td>35%</td>
</tr>
<tr>
<td>Marketing &amp; Promotions</td>
<td>60,270</td>
<td>229,167</td>
<td>168,897</td>
<td>550,000</td>
<td>11%</td>
</tr>
<tr>
<td>Notifications</td>
<td>16,696</td>
<td>12,500</td>
<td>(4,196)</td>
<td>125,000</td>
<td>13%</td>
</tr>
<tr>
<td>Lease</td>
<td>127,750</td>
<td>139,394</td>
<td>11,644</td>
<td>334,650</td>
<td>21%</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>227,042</td>
<td>249,125</td>
<td>22,083</td>
<td>597,900</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total Current Expenditures</strong></td>
<td><strong>74,300,627</strong></td>
<td><strong>74,206,362</strong></td>
<td><strong>(94,265)</strong></td>
<td><strong>193,212,276</strong></td>
<td><strong>38%</strong></td>
</tr>
</tbody>
</table>

#### Other Uses

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended Budget</th>
<th>Variance</th>
<th>FY 2017-18 Amended Budget</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Programs</td>
<td>13,838</td>
<td>645,858</td>
<td>632,020</td>
<td>5,070,000</td>
<td>0%</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>10,665</td>
<td>15,581</td>
<td>4,916</td>
<td>50,000</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Total Other Uses</strong></td>
<td><strong>24,503</strong></td>
<td><strong>661,439</strong></td>
<td><strong>636,936</strong></td>
<td><strong>5,120,000</strong></td>
<td><strong>96%</strong></td>
</tr>
</tbody>
</table>

#### Debt Service

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended Budget</th>
<th>Variance</th>
<th>FY 2017-18 Amended Budget</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>15,666</td>
<td>15,666</td>
<td>-</td>
<td>15,666</td>
<td>100%</td>
</tr>
<tr>
<td>Principal</td>
<td>5,630,000</td>
<td>5,630,000</td>
<td>-</td>
<td>5,630,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Debt Service</strong></td>
<td><strong>5,645,666</strong></td>
<td><strong>5,645,666</strong></td>
<td><strong>-</strong></td>
<td><strong>5,645,666</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Net Increase(Decrease) in Available Fund Balance

- **Actual:** $6,311,633
- **Amended Budget:** $6,229,007
- **Variance:** $82,626
- **FY 2017-18 Amended Budget:** $203,977,942
- **% Budget:** 39%
SILICON VALLEY CLEAN ENERGY AUTHORITY

BUDGET RECONCILIATION TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Net Increase (decrease) in available fund balance per budgetary comparison schedule $ 6,311,633

Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position

Subtract depreciation expense (14,642)
Add back capital asset acquisitions 10,665
Add back principal payments on debt 5,630,000

Change in Net Position 11,937,656
### SILICON VALLEY CLEAN ENERGY AUTHORITY

#### STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

**October 1, 2017 through February 28, 2018**

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales, net</td>
<td>$22,523,034</td>
<td>$15,426,854</td>
<td>$17,324,129</td>
<td>$15,778,435</td>
<td>$14,921,265</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$85,973,717</td>
<td></td>
</tr>
<tr>
<td>Green electricity premium</td>
<td>32,946</td>
<td>63,341</td>
<td>61,848</td>
<td>62,605</td>
<td>57,222</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>277,962</td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>-</td>
<td>24,450</td>
<td>6,300</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>30,750</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>22,555,980</td>
<td>15,490,195</td>
<td>17,410,427</td>
<td>15,847,340</td>
<td>14,978,487</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>86,282,429</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of electricity</td>
<td>15,195,616</td>
<td>12,859,048</td>
<td>16,034,462</td>
<td>12,228,493</td>
<td>14,232,977</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>70,550,596</td>
<td></td>
</tr>
<tr>
<td>Staff compensation and benefits</td>
<td>196,743</td>
<td>168,026</td>
<td>197,149</td>
<td>161,974</td>
<td>209,855</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>933,747</td>
<td></td>
</tr>
<tr>
<td>Data manager</td>
<td>276,838</td>
<td>277,564</td>
<td>277,114</td>
<td>281,602</td>
<td>275,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,386,118</td>
<td></td>
</tr>
<tr>
<td>Service fees - PG&amp;E</td>
<td>920</td>
<td>200,000</td>
<td>104,290</td>
<td>120,027</td>
<td>101,645</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>526,882</td>
<td></td>
</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>78,816</td>
<td>90,373</td>
<td>106,105</td>
<td>141,733</td>
<td>1,900</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>418,927</td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>55,285</td>
<td>66,571</td>
<td>110,236</td>
<td>62,956</td>
<td>59,744</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>354,792</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,762</td>
<td>2,762</td>
<td>3,001</td>
<td>3,059</td>
<td>3,058</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>14,642</td>
<td></td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>15,806,980</td>
<td>13,664,344</td>
<td>16,832,357</td>
<td>12,999,844</td>
<td>14,884,179</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>74,187,704</td>
<td></td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>6,749,000</td>
<td>1,817,851</td>
<td>578,070</td>
<td>2,847,496</td>
<td>94,308</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12,094,725</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Interest and related expense</td>
<td>(7,442)</td>
<td>(8,224)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(15,666)</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>(7,442)</td>
<td>(8,224)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(15,666)</td>
<td></td>
</tr>
</tbody>
</table>

| CHANGE IN NET POSITION | $ 6,741,558 | $ 1,817,827 | $ 578,070 | $ 2,847,496 | $ 94,308 | - | - | - | - | - | - | $ 12,079,059 |

Item 1c
## PERSONNEL REPORT

<table>
<thead>
<tr>
<th>Position</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Account Representative I / II</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Account Services Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Analyst</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Board Clerk/Executive Assistant</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Community Outreach Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Community Outreach Specialist</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Administration &amp; Finance</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Marketing &amp; Public Affairs</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Power Resources</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Finance Manager</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>General Counsel &amp; Director of Government Affairs</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Power Contracts &amp; Compliance Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Power Resource Planning &amp; Programs Analyst</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Manager of Regulatory &amp; Legislative Affairs</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Associate Regulatory Analyst</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>14</td>
<td>7</td>
</tr>
</tbody>
</table>

### CONTINGENT POSITIONS

<table>
<thead>
<tr>
<th>Position</th>
<th>FY2017-18 Budget</th>
<th>FY2017-18 Actual</th>
<th>% YTD Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Fellows / Part-Time</td>
<td>$144,000</td>
<td>70,257</td>
<td>49%</td>
</tr>
</tbody>
</table>
FINANCING REPORT

CREDIT AGREEMENT
The credit agreement with River City Bank expired at the end of December 2017.

SVCE advanced $1.5 million of the available $2.0 million from the non-revolving line of credit. All advances were paid in August 2017.

SVCE advanced $2.9 million of the available $18.0 million revolving line of credit. The balance was paid in December 2017.

MEMBER AGENCY LOAN
SVCE paid back the Member Agency Loan of $2.7 million loan in January 2018.

No new debt is anticipated for remainder of fiscal year.
CUSTOMER ACCOUNTS

RESIDENTIAL ACCOUNTS

COMMERCIAL & INDUSTRIAL ACCOUNTS
<table>
<thead>
<tr>
<th>Accounts Receivable</th>
<th>0-30</th>
<th>31-60</th>
<th>61-90</th>
<th>90-120</th>
<th>Over 120</th>
</tr>
</thead>
<tbody>
<tr>
<td>$14,759,681</td>
<td>$13,352,427</td>
<td>$628,534</td>
<td>$252,140</td>
<td>$192,287</td>
<td>$334,293</td>
</tr>
<tr>
<td>Period %</td>
<td>100%</td>
<td>90.5%</td>
<td>4.3%</td>
<td>1.7%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>
Staff Report – Item 1d

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1d: Approve the Cancellation of the August 8, 2018 Board of Directors Meeting

Date: 4/11/2018

RECOMMENDATION
Staff recommends that the Board approve the cancellation of the regularly scheduled August 8, 2018 Board of Directors Meeting.

EXECUTIVE COMMITTEE RECOMMENDATION
The Executive Committee met March 27 and approved the recommendation via the consent calendar by unanimous vote from all present at the meeting.

BACKGROUND
Directors have expressed interest in the possibility of taking a one-month hiatus from Board meetings during the summer months.

ANALYSIS & DISCUSSION
Due to a request from Directors, Staff has reviewed projections for summer workload and identified that taking a one-month recess from Board and Committee meetings in August will not affect operations. Staff is aware that if the need for Board action arises in August, a special meeting of the Board will be called. Staff did consider July as a recess month, but an important item related to filing our first Integrated Resource Plan will need to be considered in this month.

STRATEGIC PLAN
Not applicable.

ALTERNATIVES
The Board may select an alternative Board meeting date if the proposed August hiatus is not ideal for members; the Board could also choose not to cancel any of the regularly scheduled Board meetings.

FISCAL IMPACT
None.
Staff Report – Item 1e

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1e: Authorize CEO to Execute First Amendment to the Agreement with Above the Fold Designs for Graphic and Web Design Services

Date: 4/11/2018

RECOMMENDATION
Staff recommends that the Board authorize the CEO to execute the first amendment to the agreement with Above the Fold Designs for graphic and web design services from April 11, 2018 through September 30, 2018 and for amount not to exceed $40,000.

BACKGROUND
The existing agreement with Above the Fold Designs was for $24,000 and was executed by the CEO on July 23, 2017. The agreement will expire on June 30, 2018. Staff is requesting to extend the agreement to September 30, 2018 and increase the agreement by $40,000. $25,000 to be used for graphic design and $15,000 to be used for web design.

ANALYSIS & DISCUSSION
With SVCE’s new rates and the addition of Milpitas, all collateral materials developed in 2017 needed to be updated. This work, along with necessary website updates to incorporate Vietnamese, has exhausted the available funds in the original Above the Fold contract.

One specific area where Above the Fold’s services have been greatly utilized is a refresh of the SVCE website. Once out of an active enrollment phase, SVCE was able to address some functionality issues and restrictions that were a result of the previous contractor, MIG, building the site using a proprietary platform. Since 2016, SVCE had a marketing contract with MIG that included web design, collateral and creative ad design among other tasks. SVCE sought out through competitive bids and interviews a more nimble and local vendor that would be able to provide a faster turnaround with more competitive rates. Above the Fold was contracted to phase out MIG’s contract while transforming our website to WordPress, a more useable and controllable platform.

With the addition of Milpitas, staff performed a cost-benefit analysis of migrating the site before launching Milpitas or after. The quotes received from Above the Fold and MIG showed that it would be much more cost effective to pursue the full transition to WordPress, which provides staff the ability to make changes in-house with the new site. The cost of the rebuild with Above the Fold was $3,000 less than the cost of maintaining the site for one year with MIG. Therefore, Above the Fold’s website work was accelerated to make sure the platform transition and addition of Vietnamese pages would be completed at the start of Milpitas enrollment activities in early-April.

In addition to assisting with the website, there are many additional projects where SVCE needs to continue utilizing the services of a professional graphic design firm. These professionally-designed materials include enrollment notifications and letters for Milpitas, brochures, ad artwork, and event collateral. Customer
awareness and education is an ongoing need that aligns with several SVCE communications strategies and tactics. Utilizing professional graphic designers assures that SVCE’s brand continues to build and grow and provides consistency in all the materials being produced for customers.

Maintaining the website is a key communication tool, also Graphic design is critical in creating ads and essential in maintaining and updating the website.

It is important to continue to build awareness and create a positive image of SVCE so that when there are programs to advertise and promote, customers will be more likely to participate from having prior awareness of the agency.

**STRATEGIC PLAN**
SVCE’s Board-adopted Strategic Plan identifies several Goals, Strategies and Tactics related to advertising. These include:

- Maintain competitive rates to acquire and retain customers (Goal 4)
  - Provide carbon-free and renewable electricity to additional customers in the SVCE service area and increase market share (Strategy 4.1)
  - Communicate competitive rates to all customers (Tactic 4.1.1)
- Achieve Customer Awareness of 50% by 2019 (Goal 5)
  - Build awareness and trust through continuous interaction with the SVCE community (Strategy 5.2)
  - Engage the media to inform the community of SVCE product offerings (Strategy 5.3)

**ALTERNATIVE**
Do not approve the extended contract with Above the Fold. Staff will return to extend the MIG contract, or pursue a new graphic and web design vendor.

**FISCAL IMPACT**
$40,000 for graphic and web designs in Marketing.

**ATTACHMENTS**
1. First Amendment to Agreement with Above the Fold Designs for Graphic and Web Design Services
2. Executed Agreement with Above the Fold Designs for Graphic and Web Design Services
FIRST AMENDMENT TO AGREEMENT WITH ABOVE THE FOLD DESIGNS, FOR GRAPHIC AND WEB DESIGN SERVICES

WHEREAS, the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency (“Authority”), and Above the Fold Designs, entered into that certain agreement entitled Graphic and Web Design Services Agreement, effective on July 23, 2017, hereinafter referred to as “Original Agreement”; and

WHEREAS, Authority and Above the Fold Designs have determined it is in their mutual interest to amend certain terms of the Original Agreement.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE PARTIES AGREE AS FOLLOWS:

1. Article 1, Section C (Term) of Original Agreement shall be amended to read as follows:

“The term of this agreement shall commence on April 11, 2018 and shall terminate on September 30, 2018, unless terminated earlier as set forth herein.”

2. Article 3, Section C (Compensation) of Original Agreement shall be amended to read as follows:

“Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed $40,000 based on the rates and terms set forth in Exhibit “C”, which is attached hereto and incorporated herein by this reference.”

3. This Amendment shall be effective on April 11, 2018.

4. Except as expressly modified herein, all of the provisions of the Original Agreement shall remain in full force and effect. In the case of any inconsistencies between the Original Agreement and this Amendment, the terms of this Amendment shall control.

5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
Exhibit C
Compensation

Authority shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit “A” and reimbursable expenses shall not exceed a total of forty thousand dollars ($40,000.00), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

<table>
<thead>
<tr>
<th>Task</th>
<th>Not to Exceed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graphic Design</td>
<td>$25,000.00</td>
</tr>
<tr>
<td>Web Design</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Hourly-rate for all services</td>
<td>$80.00/hour</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$40,000.00</strong></td>
</tr>
</tbody>
</table>

**Invoices**

*Monthly Invoicing:* In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed).

**Reimbursable Expenses**

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority and shall only be reimbursed to the extent consistent with Authority’s travel policy.

**Additional Services**

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from Authority’s Chief Executive Officer prior to commencement of any additional services. Consultant shall submit, at the Chief Executive Officer’s request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation.
IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.

CONSULTANT, Above the Fold Designs

By: ______________________________
    [signature]
    [employee name]
    [title/department]

Date: ______________________________

SILICON VALLEY CLEAN ENERGY AUTHORITY, A Joint Powers Authority

By: ______________________________
    [signature]
    Girish Balachandran
    CEO

[employee name]
[title]

Date: ______________________________

RECOMMENDED FOR APPROVAL

Alan Suleiman, Director of Marketing & Public Affairs

APPROVED AS TO FORM:

ATTEST:

Counsel for Authority

Authority Clerk

-3-
AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND ABOVE THE FOLD DESIGNS FOR GRAPHIC AND WEB DESIGN SERVICES

THIS AGREEMENT, is entered into this 23rd day of July, 2017, by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency, ("Authority"), and Above the Fold Designs, a California corporation whose address is 219 Cleaves Court, San Jose, CA 95126 (hereinafter referred to as "Consultant") (collectively referred to as the “Parties”).

RECITALS:

A. Authority is an independent public agency duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) with the power to conduct its business and enter into agreements.

B. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the services described in this Agreement pursuant to the terms and conditions described herein.

C. Authority and Consultant desire to enter into an agreement for graphic and web design services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**
The term of this Agreement shall commence on July 23, 2017, and shall terminate on June 30, 2018, unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED**
Consultant shall perform each and every service set forth in Exhibit "A" pursuant to the schedule of performance set forth in Exhibit "B," both of which are attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT**
Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed twenty-four thousand dollars ($24,000.00) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**
Consultant and Authority agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**
Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards of specially trained professionals in the San Francisco Bay Area and agrees that all services shall be performed by qualified and experienced personnel.
6. **INDEPENDENT PARTIES**

Authority and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Authority to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from Authority to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant.

7. **NO RECOUSE AGAINST CONSTITUENT MEMBERS OF AUTHORITY.**

Authority is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members. Authority shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Contractor shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Authority's constituent members in connection with this Agreement.

8. **NON-DISCRIMINATION**

Consultant agrees that it shall not harass or discriminate against a job applicant, an Authority employee, or Consultant's employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, sexual orientation, or any other protected class. Consultant agrees that any and all violations of this provision shall constitute a material breach of this Agreement.

9. **HOLD HARMLESS AND INDEMNIFICATION**

Consultant shall, to the fullest extent allowed by law and without limitation of the provisions of this Agreement related to insurance, with respect to all services performed in connection with the Agreement, indemnify, defend, and hold harmless the Authority and its members, officers, officials, agents, employees and volunteers from and against any and all liability, claims, actions, causes of action, demands, damages and losses whatsoever against any of them, including any injury to or death of any person or damage to property or other liability of any nature, whether physical, emotional, consequential or otherwise, arising out of, pertaining to, or related to the performance of this Agreement by Consultant or Consultant’s employees, officers, officials, agents or independent contractors. Such costs and expenses shall include reasonable attorneys' fees of counsel of Authority’s choice, expert fees and all other costs and fees of litigation. The acceptance of the Services by Authority shall not operate as a waiver of the right of indemnification. The provisions of this Section survive the completion of the Services or termination of this Agreement.

10. **INSURANCE:**

A. **General Requirements.** On or before the commencement of the term of this Agreement, Consultant shall furnish Authority with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and
certificates, which do not limit Consultant's indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the Authority by certified mail, Attention: Chief Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to Authority and licensed to do insurance business in the State of California. Endorsements naming the Authority as additional insured shall be submitted with the insurance certificates.

B. Subrogation Waiver. Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.

C. Failure to secure or maintain insurance. If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, Authority shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. Additional Insured. Authority, its members, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. Sufficiency of Insurance. The insurance limits required by Authority are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant.

F. Maximum Coverage and Limits. It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum Insurance coverage requirements and/or limits shall be available to the additional insureds. Furthermore, the requirements for coverage and limits shall be the minimum coverage and limits specified in this Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

11. CONFLICT OF INTEREST
Consultant warrants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it will not employ any person having such an interest. Consultant agrees to advise Authority immediately if any conflict arises and understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff Authority, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.
12. **PROHIBITION AGAINST TRANSFERS**

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of Authority. Any attempt to do so without such consent shall be null and void, and any assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from Authority under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to Authority by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant, if Consultant is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. **SUBCONTRACTOR APPROVAL**

Unless prior written consent from Authority is obtained, only those persons and subcontractors whose names are attached to this Agreement shall be used in the performance of this Agreement.

In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of workers’ compensation insurance and shall also be required to carry general, automobile and professional liability insurance in substantial conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor’s work. Subcontractors hired by Consultant shall agree to be bound to Consultant and Authority in the same manner and to the same extent as Consultant is bound to Authority under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to Authority.

14. **REPORTS**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report", reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement, shall be the exclusive property of Authority. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to Authority the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of Authority, and all publication rights are reserved to Authority. Consultant may retain a copy of any Report furnished to the Authority pursuant to this Agreement.

B. All Reports prepared by Consultant may be used by Authority in execution or implementation of: (1) The original Project for which Consultant was hired; (2) Completion of the original Project by others; (3) Subsequent additions to the original project; and/or (4) Other Authority projects as Authority deems appropriate in its sole discretion.

C. Consultant shall, at such time and in such form as Authority may require, furnish reports
concerning the status of services required under this Agreement.

D. All Reports required to be provided by this Agreement shall be printed on recycled paper. All Reports shall be copied on both sides of the paper except for one original, which shall be single sided. All Reports shall also be provided in electronic format, both in the original file format (e.g., Microsoft Word) and in PDF format.

E. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement shall be made available to any individual or organization by Consultant without prior approval by Authority.

15. RECORDS
Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by Authority that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to such books and records to the representatives of Authority or its designees at all proper times, and gives Authority the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from Authority for all services required under this agreement.

If supplemental examination or audit of the records is necessary due to concerns raised by Authority's preliminary examination or audit of records, and the Authority's supplemental examination or audit of the records discloses a failure to adhere to appropriate internal financial controls, or other breach of contract or failure to act in good faith, then Consultant shall reimburse Authority for all reasonable costs and expenses associated with the supplemental examination or audit.

16. PARTY REPRESENTATIVES
The Chief Executive Officer shall represent the Authority in all matters pertaining to the services to be performed under this Agreement. David Cullen shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. CONFIDENTIAL INFORMATION
Consultant shall maintain in confidence and not disclose to any third party or use in any manner not required or authorized under this Agreement any and all proprietary or confidential information held by Authority or provided to Consultant by Authority.

18. NOTICES
All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests, or approvals shall be addressed as follows:

TO AUTHORITY:
333 W El Camino Real
Suite 290
Sunnyvale, CA 94087  
Attention: Chief Executive Officer

TO CONSULTANT:  
David Cullen  
Above the Fold Designs  
219 Cleaves Court  
San Jose, CA 95126

19. **TERMINATION**  
In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If Consultant fails to cure the default within the time specified and according to the requirements set forth in Authority’s written notice of default, and in addition to any other remedy available to the Authority by law, the Chief Executive Officer may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. The Chief Executive Officer shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days’ prior written notice to Consultant as provided herein. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance.  
Authority shall pay Consultant for services satisfactorily performed up to the effective date of termination. If the termination is for cause, Authority may deduct from such payment the amount of actual damage, if any, sustained by Authority due to Consultant’s failure to perform its material obligations under this Agreement. Upon termination, Consultant shall immediately deliver to the Authority any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of Authority.

20. **COMPLIANCE**  
Consultant shall comply with all applicable local, state and federal laws.

21. **CONFLICT OF LAW**  
This Agreement shall be interpreted under, and enforced by the laws of the State of California. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities). Any suits brought pursuant to this Agreement shall be filed with the Superior Court of the County of Santa Clara, State of California.

22. **ADVERTISEMENT**  
Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Authority to do otherwise.

23. **WAIVER**  
A waiver by Authority of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or
condition contained herein, whether of the same or a different character.

24. **INTEGRATED CONTRACT**
   This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by a written document signed by both Authority and Consultant.

25. **AUTHORITY**
   The individual(s) executing this Agreement represent and warrant that they have the legal Authority and authority to do so on behalf of their respective legal entities.

26. **INSERTED PROVISIONS**
   Each provision and clause required by law to be inserted into the Agreement shall be deemed to be enacted herein, and the Agreement shall be read and enforced as though each were included herein. If through mistake or otherwise, any such provision is not inserted or is not correctly inserted, the Agreement shall be amended to make such insertion on application by either party.

27. **CAPTIONS AND TERMS**
   The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

   IN WITNESS WHEREOF, the parties have caused the Agreement to be executed as of the date set forth above.

---

**CONSULTANT**
Above the Fold Designs

By **David Cullen**
Title **Co-Owner**
Date **6/29/17**

**SILICON VALLEY CLEAN ENERGY AUTHORITY**
A Joint Powers Authority

By **[Signature]**
Chief Executive Officer
Date **7/19/2017**

**RECOMMENDED FOR APPROVAL**

**[Signature]**
Alan Suleiman, Director of Marketing and Public Affairs
Exhibit A
Scope of Services

Above the Fold Designs will assist Silicon Valley Clean Energy (SVCE) with design services, collateral development and web design support.

SVCE needs to prepare a suite of collateral material that provides information about the agency, our electricity choices, programs and other materials to support community and business outreach efforts. The materials must be designed in a way that easily informs and educates the target audience about SVCE’s services. The materials must also align with the agency’s brand guidelines, while also assisting with brand building and awareness goals.

Above the Fold Designs is a San Jose-based design studio that offers the following services:

- Logos
- Illustrations
- Book/Editorial Design
- Branding Identity
- Poster/Ad Creations
- Photoshoots
- Drone Photography/Videography (Remote Pilot License)
- Aerials/Map Designs, Hand Drawn Renderings (Illustrator)
- Website Design

The team is made up of the following members:

- David Cullen – Co-Owner – David has his Bachelor’s in Business Management. He has been in the design industry for five years now and handles all our communication with clients and finds new leads. He also specializes in creating maps/aerials and he also has his Remote Pilot License for drone photography/videography.

- Gilbert Garlitos – Co-Owner – Gil is the life of the party for our group. His creativity and wit is expressed in his designs. His background with illustrating for newspapers has helped him become the amazing illustrator he is today. He has also taught classes at the Academy of Arts in San Francisco.

- Grant Zhao – Graphic Designer – Grant has a knack for making unique brochures and magazines. His creative modern designs makes a book have character and his designs stand out far from any others. Grant is also our main photographer and he has an eye for catching the perfect angles. He has a passion for design and is a constant student of the industry.

- Shobin Thomas – Graphic Designer – Shobin is our main web designer, but that is not where his talents stop. Shobin is a jack of all trades and can handle web design, brochures, and video editing. He is a dedicated and hard worker who can turn around a deadline faster than most.
• Jinx Macabenta – Web Designer - Jinx is our newest member to the family and is also a fellow Academy of Arts graduate and has had Director roles with different companies including; Froomz, LifeStreet Corporation, and RevJet. He has also worked for Yahoo! and Samsung. Jinx is one of the easiest people to not only relate to, but to also get along with.

Above the Fold Designs charges $60/hour for all services, plus any license image download fees.

SVCE staff will work with Above the Fold Designs on project scope and budget before beginning any project outside what is listed in the Schedule of Performance (Exhibit B).

Exhibit B
Schedule of Performance
**Exhibit B**

**Schedule of Performance**

This schedule of performance is tentative and subject to change.

1. **Strategic Plan**
   - Budget – approx. 20 hours, $1,200.00

2. **General tri-fold brochure** –
   - 25 hour estimate per brochure, 50 hours total estimate - $3,000
     - Versions for:
       - Residents (multilingual versions)
       - Business

3. **Pop-up banners** – 32 hour estimate - $1,920

4. **Window Clings** for EVs, Residents and Businesses –
   - 4 hours per item, all graphics are hand drawn, total is 12 hours - $720
     - EV version – Driving 100% Carbon Free w/ Silicon Valley Clean Energy logo incorporated
     - Business version – Our business runs on 100% carbon free electricity, or simplified for less words, just say “Powered by 100% carbon free electricity” w/ SVCE logo on the cling
     - GreenPrime customers who have upgraded to 100% renewable energy, we need a business and residential version that says, “Our business/home is powered by 100% renewable energy” w/ SVCE logo

5. **Pinwheel** design –
   - Estimate 1 hour, $60

6. **Regional Community Choice Energy (CCE) map** handout –
   - Estimate 40 hours, $2,400

7. **Discount program brochure/postcard** –
   - 6 hours per card, 3 versions in language, 15 hours - $1,080

8. **Hanging Banner for Festivals** – 6 hours, $360

9. **Website design services** – As needed
   - Estimated website improvements and build out as SVCE programs launch is expected to take up to 200 design hours, or $12,000.
Exhibit C
Compensation

Authority shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below. Compensation shall be calculated based on the hourly rates set forth below up to the not to exceed budget amount set forth below.

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit “A” and reimbursable expenses shall not exceed a total of twenty-four thousand dollars ($24,000.00), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

<table>
<thead>
<tr>
<th>Task</th>
<th>Not to Exceed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graphic Design</td>
<td>$12,000.00</td>
</tr>
<tr>
<td>Web Design</td>
<td>$12,000.00</td>
</tr>
</tbody>
</table>

Total $24,000.00

Invoices
Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed).

Reimbursable Expenses
Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority and shall only be reimbursed to the extent consistent with Authority’s travel policy.

Additional Services
Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from Authority’s Chief Executive Officer prior to commencement of any additional services. Consultant shall submit, at the Chief Executive Officer’s request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation.
Exhibit D

Insurance Requirements and Proof of Insurance

Proof of insurance coverage described below is attached to this Exhibit, with Authority named as additional insured.

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

1. **Workers' Compensation:**
   Statutory coverage as required by the State of California. Note: Sole proprietors are excluded from this requirement, however, proof of worker's compensation must be provided if the Consultant hires one or more employees, otherwise this agreement will be terminated.

2. **Liability:**
   Commercial general liability coverage with minimum limits of $1,000,000 per occurrence and $2,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required.

3. **Automotive:**
   Comprehensive automotive liability coverage with minimum limits of $1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.

4. **Professional Liability:**
   Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least $1,000,000.
Staff Report – Item 1f

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1f: Authorize CEO to Execute Confirmation Agreements and Master EEI Agreement with Calpine Energy Services, L.P. to Acquire Resource Adequacy Capacity for 2019 to 2023

Date: 4/11/2018

RECOMMENDATION
Staff recommends that the Board authorize the Chief Executive Officer to execute:

- One (1) Master EEI (Edison Electric Institute) enabling agreement
- Two (2) Confirmation agreements for the purchase of Resource Adequacy Capacity (RA)

from Calpine Energy Services L.P. as necessary to meet SVCE’s regulatory obligations for the period January 2019 through December 2023 (5-year delivery term), with terms consistent with those contained in the attached agreements.

BACKGROUND
SVCE must ensure sufficient generation capacity is available to reliably meet the electric needs of its customers. Under the state’s Resource Adequacy program, all load serving entities (LSEs) must commit to making electric generators available for dispatch by the California Independent System Operator (CAISO). Resource Adequacy Capacity is a separate product from energy, and no entitlements to energy or other attributes are conveyed through the purchase of Resource Adequacy Capacity. The Resource Adequacy Capacity obligation is equivalent to 115% of the load serving entity’s projected peak demand for each month.

A portion of the total Resource Adequacy obligation must be met with Resource Adequacy Capacity meeting certain locational and operational attributes in order to support local area reliability and ensure that sufficient amounts of flexible generating units are available for dispatch by the CAISO.

ANALYSIS & DISCUSSION
SVCE has entered into previous confirmation agreements with Calpine, but those have been done under a WSPP (Western System Power Pool) master enabling agreement. A master enabling agreement is a widely used standard form agreement containing general terms and conditions for electric power transactions. Execution of a master enabling agreement, by itself, does not obligate SVCE to any specific energy or capacity purchase. Purchases are made through the confirmation agreements, which set forth the details of the purchase such as product, volume, and price.

These Calpine confirmation agreements will be governed by a different master enabling agreement, Edison Electric Institute ("Master EEI"). A Master EEI enabling agreement is the preferred governing document for confirmation agreements exceeding one year in length and is why we are seeking to execute one with Calpine now.
The 5-year delivery term of these agreements was the result of Staff following a Risk Oversight Committee recommendation, given in late 2017, to work on procuring multiyear RA in order to avoid facing a last-minute scramble to purchase the required RA volumes prior to the year-ahead compliance showing in October of each year. Furthermore, these agreements will allow SVCE to meet a potential change in the rules for RA compliance. There is a current CPUC Resource Adequacy proceeding, which is considering a requirement for LSEs to demonstrate a multiyear RA compliance to replace the current year-ahead compliance showing.

This 5-year agreement is a break from the normal one year ahead RA purchasing practices but is prudent and reasonable in light of changing dynamics being experienced in the RA market due to upcoming plant retirements, increase in the number of RA Buyers (i.e. more CCAs), and a reduction by regulators in the amount of RA that intermittent resources can provide.

**STRATEGIC PLAN**
SVCE’s Board-adopted Strategic Plan identifies in Strategy 7.1 the goal of ensuring ongoing price competitiveness by adapting to changing market conditions.

**ALTERNATIVE**
The alternative approach is to continue purchasing RA to meet SVCE’s required RA obligations on a month-ahead and year-ahead only basis. Given the changing market conditions and potential regulatory changes mentioned above, this approach could subject SVCE to either higher costs than budgeted for RA or an increased potential for non-compliance, should SVCE be unable to acquire the necessary amounts to satisfy our RA obligations by the regulatory deadlines.

**FISCAL IMPACT**
The fiscal impact of these two confirmation agreements will not exceed $19,500,000 over the delivery term.

**ATTACHMENTS**
1. Calpine-SVCE Master EEI enabling agreement
2. Calpine-SVCE confirmation agreement 2019-2023 with Flex RA
3. Calpine-SVCE confirmation agreement 2019-2023 No Flex RA
MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This Master Power Purchase and Sale Agreement (“Master Agreement”) is made as of the following date: March 9, 2018 (“Effective Date”). The Master Agreement, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “Agreement.” The Parties to this Master Agreement are the following:

Name: Calpine Energy Services, L.P. (“Calpine” or “Party A”)  Name: Silicon Valley Clean Energy Authority, a California joint powers authority (“SVCE” or “Party B”)

All Notices:

<table>
<thead>
<tr>
<th>Name: Calpine Energy Services, L.P. (“Calpine” or “Party A”)</th>
<th>Name: Silicon Valley Clean Energy Authority, a California joint powers authority (“SVCE” or “Party B”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address: 717 Texas Avenue, Suite 1000 Houston, TX 71002</td>
<td>Address: 333 W. El Camino Real, Suite 320 Sunnyvale, CA 94087</td>
</tr>
<tr>
<td>Attn: Contracts Administration</td>
<td>Attn: Dennis Dyc-O’Neal</td>
</tr>
<tr>
<td>Phone: 713-830-8751</td>
<td>Phone: 408-721-5301 x 1016</td>
</tr>
<tr>
<td>Facsimile: 713-830-8212</td>
<td>Facsimile:</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:CommodityContracts@calpine.com">CommodityContracts@calpine.com</a></td>
<td>E-mail: <a href="mailto:dennis.dyconeal@svcleanenergy.org">dennis.dyconeal@svcleanenergy.org</a></td>
</tr>
<tr>
<td>Duns: 16-966-8212</td>
<td>Duns: 08-046-2990</td>
</tr>
<tr>
<td>Federal Tax ID Number:</td>
<td>Federal Tax ID Number:</td>
</tr>
</tbody>
</table>

With a copy to:

Address: 4160 Dublin Blvd., Suite 100
       Dublin, CA 94568
Attn: Legal Department
Facsimile: 925-470-9608

Invoices:

<table>
<thead>
<tr>
<th>Name: Calpine Energy Services, L.P. (“Calpine” or “Party A”)</th>
<th>Name: Silicon Valley Clean Energy Authority, a California joint powers authority (“SVCE” or “Party B”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attn: Power Accounting</td>
<td>Attn: Silicon Valley Clean Energy Authority</td>
</tr>
<tr>
<td>Phone: 713-830-2000</td>
<td>Phone: 408-721-5301</td>
</tr>
<tr>
<td>Facsimile: 713-830-8868</td>
<td>Facsimile:</td>
</tr>
<tr>
<td>E-Mail:</td>
<td>E-mail: <a href="mailto:SVCEpowersettlements@svcleanenergy.org">SVCEpowersettlements@svcleanenergy.org</a></td>
</tr>
</tbody>
</table>

Confirmations:

<table>
<thead>
<tr>
<th>Name: Calpine Energy Services, L.P. (“Calpine” or “Party A”)</th>
<th>Name: Silicon Valley Clean Energy Authority, a California joint powers authority (“SVCE” or “Party B”)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attn: Confirmations Department</td>
<td>Attn:</td>
</tr>
<tr>
<td>Address:</td>
<td>Address:</td>
</tr>
<tr>
<td>Phone: 713-830-8723</td>
<td>Phone:</td>
</tr>
<tr>
<td>Facsimile: 713-830-8868</td>
<td>Facsimile:</td>
</tr>
</tbody>
</table>
Scheduling:
Attn: Scheduling
Phone: 713-830-8353
Facsimile: 713-830-8749

Payments:
Attn: Power Accounting
Phone: 713-830-2000
Facsimile: 713-830-8749
E-Mail: 

Wire Transfer:
BNK: Union Bank, N. A.
ABA: 
ACCT: 

Credit and Collections:
Attn: Director of Corporate Credit
Phone: 713-332-5257
Facsimile: 713-570-4764

With additional Notices of an Event of Default or Potential Event of Default to:
Attn: Risk Management Counsel
Facsimile: 713-830-8751

With a copy to:
Attn: Chief Legal Officer
Facsimile: 832-325-1508

and:

Attn: Assistant General Counsel
Facsimile: 925-479-9608

Scheduling:
Attn: 
Phone: 
Facsimile: 
E-mail: 

Payments:
Attn: Silicon Valley Clean Energy Authority
Finance
Phone: 408-721-5301
Facsimile: 
E-mail: 

Wire Transfer:
BNK: 
ABA: 
ACCT: 

Credit and Collections:
Attn: Silicon Valley Clean Energy Authority
Finance
Phone: 408-721-5301
Facsimile: 

With additional Notices of an Event of Default or Potential Event of Default to:
Attn: Troutman Sanders LLP
100 SW Main St. Ste. 1000
Portland, OR 97204
Attn: Stephen Hall
Phone: 503-290-2336
Email: Steve.Hall@troutmansanders.com
The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff: Tariff Rate Schedule #1  Dated: Sept. 21, 2000  Docket Number: ER00-3562-000

Party B Tariff: N/A

**Article Two**
Transaction Terms and Conditions  ☒ Optional provision in Section 2.4. If not checked, inapplicable.

**Article Four**
Remedies for Failure to Deliver or Receive  ☒ Accelerated Payment of Damages. If not checked, inapplicable.

**Article Five**
Events of Default; Remedies  ☒ Cross Default for Party A:

☐ Party A:  Cross Default Amount $____

☒ Other Entity: Calpine Corp.  Cross Default Amount $____

☒ Cross Default for Party B:

☒ Party B:  Cross Default Amount $____

☐ Other Entity:_______  Cross Default Amount $____

5.6 Closeout Setoff

☒ Option A (Applicable if no other selection is made.)

☐ Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows:________

☐ Option C (No Setoff)

**Article 8**
Credit and Collateral Requirements  8.1 Party A Credit Protection:

(a) Financial Information:

☒ Option A

☐ Option B  Specify: _____________

☐ Option C  Specify: _____________

(b) Credit Assurances:

☒ Not Applicable

☐ Applicable
(c) Collateral Threshold:

☐ Not Applicable
☐ Applicable

If applicable, the provisions of Section 8.1 (c) of the Agreement shall be replaced by the provisions of the Collateral Annex attached hereto.

(d) Downgrade Event:

☐ Not Applicable
☐ Applicable

If applicable, complete the following:

☐ It shall be a Downgrade Event for Party B if Party B’s Guarantor’s Credit Rating falls below ______ from S&P and ______ from Moody’s or if Party B’s Guarantor is not rated by either S&P or Moody’s.

☐ Other:
  Specify: ________________________________

(c) Guarantor for Party B:

Guarantee Amount: N/A

8.2 Party B Credit Protection:

(a) Financial Information:

☐ Option A
☐ Option B Specify: Calpine Corporation
☐ Option C Specify: as available

(b) Credit Assurances:

☐ Not Applicable
☐ Applicable

(c) Collateral Threshold:

☐ Not Applicable
☐ Applicable

If applicable, the provisions of Section 8.2 (c) of the Agreement shall be replaced by the provisions of the Collateral Annex attached hereto.

(d) Downgrade Event:

☐ Not Applicable
☐ Applicable
If applicable, complete the following:

- It shall be a Downgrade Event for Party A if Party A’s Guarantor’s Credit Rating falls below ________ from S&P and ________ from Moody’s or if Party A’s Guarantor is not rated by either S&P or Moody’s.

- Other:
  Specify:

(c) Guarantor for Party A: Not Applicable

Guarantee Amount: N/A

### Article 10
Confidentiality
- Confidentiality Applicable  If not checked, inapplicable.

### Schedule M
- Party A is a Governmental Entity or Public Power System
- Party B is a Governmental Entity or Public Power System
- Add Section 3.6. If not checked, inapplicable
- Add Section 8.6. If not checked, inapplicable

### Other Changes
Specify, if any: See “Other Changes” Attached Hereto.
“OTHER CHANGES” TO EEI STANDARDIZED MASTER POWER PURCHASE AND SALE AGREEMENT

ARTICLE ONE: GENERAL DEFINITIONS

Section 1.1 is amended by adding the following sentence at the end of the definition of “Affiliate”: “The Parties hereby agree and acknowledge that the members of Party B shall not constitute or otherwise be deemed an “Affiliate” for the purposes of this Master Agreement or any Confirmation executed in connection therewith.”

Section 1.12 is amended by deleting the word “issues” and replacing it with the word “issuer”.

Section 1.23 is amended by adding at the end of clause (iii) the phrase “(except to the extent caused by an event or circumstance that would otherwise constitute Force Majeure)”.

Section 1.27 is amended by adding at the end of the first sentence “; provided that a Party may only transfer the Letter of Credit to any person or entity succeeding to all or substantially all of the assets of such Party.”

Section 1.50 (Recording) is hereby deleted in its entirety.

Section 1.51 is amended by (i) adding the phrase “for delivery” immediately before the phrase “at the Delivery Point” in the second line and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with the phrase “absent a purchase”.

Section 1.53 is amended by (i) deleting the phrase “at the Delivery Point” from the second line and (ii) deleting the phrase “at Seller’s option” from the fifth line and replacing it with the phrase “absent a sale”.

ARTICLE TWO: TRANSACTIONS TERMS AND CONDITIONS

Section 2.1 is amended by deleting “orally or, if expressly required by either Party with respect to a particular Transaction,” in the 2nd line.

In Section 2.4, delete “either orally or” after “agreed to” in the 7th line.

Section 2.5 is hereby deleted in its entirety.

The following shall be added as Section 2.6:

**Index Transactions.** If the Contract Price for a Transaction is determined by reference to a Price Source, then:

(a) **Market Disruption.** If a Market Disruption Event occurs on any one or more days during a Determination Period (each day, a “Disrupted Day”), then:

The fallback Floating Price, if any, specified by the Parties in the relevant Confirmation shall be the Floating Price for each Disrupted Day.

If the Parties have not specified a fallback Floating Price, then the Parties will endeavor, in good faith and using commercially reasonable efforts, to agree on a substitute Floating Price, taking
into consideration without limitation, guidance, protocols or other recommendations or conventions issued or employed by trade organizations or industry groups in response to the Market Disruption Event and other prices published by the Price Source or alternative price sources with respect to the Delivery Point or comparable Delivery Points that may permit the Parties to derive the Floating Price based on historical differentials.

If the Price Source retrospectively issues a Floating Price in respect of a Disrupted Day (a “Delayed Floating Price”) before the parties agree on a substitute Floating Price for such day, then the Delayed Floating Price shall be the Floating Price for such Disrupted Day. If a Delayed Price is issued by the Price Source in respect of a Disrupted Day after the Parties agree on a substitute Floating Price for such day, the Substitute Floating Price agreed upon by the Parties will remain the Floating Price without adjustment unless the Parties expressly agree otherwise.

If the Parties cannot agree on a substitute Floating Price and the Price Source does not retrospectively publish or announce a Floating Price, in each case, on or before the fifth Business Day following the first Trading Day on which the Market Disruption Event first occurred or existed, then the Floating Price for each Disrupted Day shall be determined by taking the arithmetic mean of quotations requested from four leading dealers in the relevant market that are unaffiliated with either Party and mutually agreed upon by the Parties (“Specified Dealers”), without regard to the quotations with the highest and lowest values, subject to the following qualifications:

1) If exactly three quotations are obtained, the Floating Price for each such Disrupted Day will be the quotation that remains after disregarding the quotations having the highest and lowest values.

2) If fewer than three quotations are obtained, the Floating Price for each such Disrupted Day will be the average of the quotations obtained.

3) If the Parties cannot agree upon four Specified Dealers, then each of the Parties will, acting in good faith and in a commercially reasonable manner, select up to two Specified Dealers separately, and those selected dealers shall be the Specified Dealers.

Unless otherwise agreed, if at any time the Parties agree on a substitute Floating Price for any Disrupted Day, then such substitute Floating Price shall be the Floating Price for such Disrupted Day, notwithstanding the subsequent publication or announcement of a Delayed Floating Price by the relevant Price Source or any quotations obtained from Specified Dealers.

“Determination Period” means each calendar month a part or all of which is within the Delivery Period of a Transaction.

“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified as applicable to the relevant Transaction.

“Floating Price” means a Contract Price specified in a Transaction that is based upon a Price Source.

“Market Disruption Event” means, with respect to any Price Source, any of the following events:

(a) the failure of the Price Source to announce, publish or make available the specified Floating Price or information necessary for determining the Floating Price for a particular
day; (b) the failure of trading to commence on a particular day or the permanent
discontinuation or material suspension of trading in the relevant options contract or
commodity on the Exchange, RTO or in the market specified for determining a Floating
Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source;
d) the temporary or permanent closing of any Exchange or RTO specified for determining a
Floating Price; or (e) a material change in the formula for or the method of determining the
Floating Price by the Price Source or a material change in the composition of the Product.

“Price Source” means, in respect of a Transaction, a publication or such other origin of reference,
including an Exchange or RTO, containing or reporting or making generally available to market
participants (including by electronic means) a price, or prices or information from which a price is
determined, as specified in the relevant Transaction.

“RTO” means any regional transmission operator or independent system operator.

“RTO Transaction” means a Transaction in which the Price Source is an RTO.

“Trading Day” means a day in respect of which the relevant Price Source ordinarily would
announce, publish or make available the Floating Price.

(b) Corrections to Published Prices. If the Floating Price published, announced or made available on
a given day and used or to be used to determine a relevant price is subsequently corrected by the
relevant Price Source (i) within 30 days of the original publication, announcement or availability,
or (ii) in the case of RTO Transactions only, within such longer time period as is consistent with
the RTO’s procedures and guidelines, then either Party may notify the other Party of that
correction and the amount (if any) that is payable as a result of that correction. If not later than
thirty (30) days after publication or announcement of that correction, a Party gives notice that an
amount is so payable, the Party that originally either received or retained such amount will, not
later than three (3) Business Days after such notice is effective, pay, subject to any applicable
conditions precedent, to the other Party that amount, together with interest at the Interest Rate for
the period from and including the day on which payment originally was (or was not) made to but
excluding the day of payment of the refund or payment resulting from that correction.
Notwithstanding the foregoing, corrections shall not be made to any Floating Prices agreed upon
by the Parties or determined based on quotations from Specified Dealers pursuant to paragraph (a)
above unless the Parties expressly agree otherwise.

(c) Rounding. When calculating a Floating Price, all numbers shall be rounded to four (4) decimal
places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal
number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5),
then the fourth (4th) decimal number shall remain unchanged.

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES

Section 5.1(a) is amended by changing “three (3) Business Days” to “five (5) Business Days”.

Section 5.1(b) is amended by adding the following after “repeated”: “, and such breach is not remedied
within thirty (30) days after written notice from the other Party”.

Section 5.1(c) is amended by changing “three (3) Business Days” to “thirty (30) days”.

Section 5.1(d) is amended by adding the following after “Bankrupt”: “, provided, however, if the
presentation of an involuntary petition for the winding-up or liquidation of a party (an “Involuntary Proceeding”) is commenced, such Involuntary Proceeding shall not be a Default in respect of that party unless the Involuntary Proceeding has not been withdrawn, dismissed, discharged, Stayed or restrained within 60 days of its commencement and in such event the other party shall be entitled to exercise its rights and remedies under this Agreement in respect thereof,”.

Section 5.1 (g) is amended by (i) adding “after the Effective Date of this Agreement” after the words “occurrence and continuation” and (ii) deleting the phrase “, or becoming capable at such time of being declared,” after the word “becoming” and before the word “immediately” in the eighth and ninth lines, and (iii) adding “provided, however, that no default or event of default shall be deemed to have occurred under this Section 5.1(g) to the extent that any applicable cure period or grace period is available;” at the end of the last clause.

Section 5.2 is amended to reverse the placement of “(i)” and “to” in the first sentence.

Section 5.2 is amended to delete the following phrase from the last two lines: “under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable.”

The following shall be added to the end of Section 5.2:

“under applicable law on the Early Termination Date, then each such Transaction (individually, an “Excluded Transaction” and collectively, the “Excluded Transactions”) shall be terminated as soon thereafter as reasonably practicable), and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below. The Gains and Losses for each Terminated Transaction shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. The Non-Defaulting Party (or its agent) may determine its Gains and Losses by reference to information either available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. If the Non-Defaulting Party’s aggregate Gains exceeds its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Settlement Amount shall be zero, notwithstanding any provision in this Section or any provision in this Agreement to the contrary.”

In Section 5.7, delete “(a)” and the phrase “or (b) a Potential Event of Default” in the second line.

ARTICLE SEVEN: LIMITATIONS

Section 7.1 shall be amended by: (a) deleting “Except as set forth herein” from the first sentence and “Unless expressly herein provided” from the fifth sentence and (b) adding “Notwithstanding anything in this Agreement to the contrary” to the beginning of the fifth sentence, and “set forth in this Agreement” after “indemnity provision” and before “or otherwise”, also in the fifth sentence.

ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS

Section 8.1(a) is amended by adding the phrase “, provided however, for the purposes of this (i) and (ii), if Party B’s financial statements are publicly available electronically, then Party B shall be deemed to have met this requirement” after the phrase “a copy of Party B’s quarterly report containing unaudited
consolidated financial statements for such fiscal quarter”.

Section 8.2 (a) is amended by adding the phrase “, provided however, for the purposes of this (i) and (ii), if Party A’s financial statements are publicly available electronically, then Party A shall be deemed to have met this requirement” after the phrase “a copy of Party A’s quarterly report containing unaudited consolidated financial statements for such fiscal quarter”.

ARTICLE TEN: MISCELLANEOUS

Section 10.4 is amended to add the phrase “unless a Claim is due to such Party’s gross negligence, willful misconduct or bad faith” at the end of the first sentence of Section 10.4.

In Section 10.5, in clause (ii) thereof replace the words “affiliate” and “affiliate’s” with, respectively, “Affiliate” and “Affiliate’s”, and in clause (iii) thereof immediately after the words “substantially all of the assets” insert the words “of such Party and”.

In Section 10.5, delete the phrase “which consent may be withheld in the exercise of its sole discretion” in the first line and replace it with “which consent shall not be unreasonably withheld.”

In Section 10.6 change “State of New York” to “State of California” and add the following after the last line: “FOR ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION, EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS LOCATED IN SAN FRANCISCO, CALIFORNIA, OR IF SUCH FEDERAL COURTS DO NOT HAVE JURISDICTION, TO THE EXCLUSIVE JURISDICTION OF THE STATE COURTS OF THE STATE OF CALIFORNIA LOCATED IN SAN FRANCISCO, CALIFORNIA, AND EACH PARTY EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.”

Section 10.8 is amended by adding the following to the last sentence: “and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11, (iv) Waiver of Jury Trial provisions, if applicable, (v) Arbitration provisions, if applicable, (vi) the obligation of either Party to make payments hereunder, (vii) Section 10.6, and (viii) Section 10.13 shall also survive the termination of the Agreement or any Transaction.”

Section 10.11 Confidentiality is amended to read in its entirety as follows:

“If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, the contents of the Transactions and all other documents relating to this Agreement, if any, and any information made available by a Party and/or any guarantor of a Party (“Disclosing Party”) to the other Party (“Non-Disclosing Party”) with respect to this Agreement or any Transaction, if any, are confidential and shall not be disclosed to my third party, except for such information (i) as may become generally available to the public, (ii) as may be required or appropriate in response to any summons, subpoena, request from a regulatory body, or otherwise in connection with any litigation or to comply with any applicable law, order, regulation, ruling, regulatory request, accounting disclosure rule or standard or any exchange control area or independent system operator rule, (iii) as may be obtained from a non-confidential source that disclosed such information in a manner that did not violate its obligations to the Disclosing Party, if any in making such disclosure: or (iv) as may be furnished to the Non-Disclosing Party’s Affiliates, and to each of such person’s auditors, attorneys, advisors or lenders which are required to keep the information that in disclosed in confidence. Notwithstanding the foregoing, a Party may disclose any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by
the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the California Public Records Act (Government Code Section 6250 et seq.). Party B will notify Party A in writing promptly upon receipt of any request for information regarding the Master Agreement and/or any Confirmations executed in connection therewith pursuant to the California Public Records Act (Government Code Section 6250 et seq.).”

The following shall be added as Section 10.12:

(a) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall be the “public interest” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S.332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S.348 (1956) and clarified by NRG Power Marketing LLC v. Maine Pub.Util. Comm’n., 58 U.S. (2010) (commonly known as the “Mobile-Sierra” doctrine).

(b) In addition, and notwithstanding the foregoing subsection (a), to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain; any order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this subsection (b) shall not apply, provided that, consistent with the foregoing subsection (a) neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in the foregoing section (a).

The following new Section shall be added as Section 10.13:

Party A hereby acknowledges and agrees that Party B is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016 (the “Joint Power Agreement”) and is a public entity separate from its members. Party B shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement and Seller agrees that it shall have no rights and shall not make any claim, take any actions or assert any remedies against any of Party B’s members in connection with this Agreement or any of the Transactions.

SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS
The following definition is hereby added to Schedule P:

“CAISO Firm” means with respect to a Transaction, a Product under which the Seller shall sell and the Buyer shall purchase a quantity of energy equal to the hourly quantity without Ancillary Services (as defined in the California Independent System Operator (“CAISO”) Tariff) that is or will be scheduled as a schedule coordinator to schedule coordinator transaction pursuant to the applicable tariff and protocol provisions of the CAISO tariff as amended from time to time, for which the only excuse for failure to deliver or receive is “an Uncontrollable Force” as defined in the CAISO Tariff.

[Signature page follows]
IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the Effective Date.

CALPINE ENERGY SERVICES, L.P.

By:

Name: Andrew Novotny
Title: Vice President

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

By: _____________________________

Name: ___________________________
Title: ___________________________

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.
MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER
BETWEEN
CALPINE ENERGY SERVICES, L.P.
AND
SILICON VALLEY CLEAN ENERGY AUTHORITY

This confirmation letter ("Confirmation") confirms the Transaction between Calpine Energy Services, L.P., a Delaware company ("Seller") and Silicon Valley Clean Energy Authority, a California joint powers authority ("Buyer"), each individually a "Party" and together the "Parties", dated as of March 9, 2018 (the "Confirmation Effective Date"), in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Article 3 of this Confirmation. This Transaction is governed by the Edison Electric Institute Master Power Purchase and Sale Agreement between the Parties, and that certain Cover Sheet, effective as of March 9, 2018, along with any annexes and amendments thereto (collectively, the "Master Agreement"). The Master Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or the Tariff (as defined herein).

1. DEFINITIONS

1.1 "Alternate Capacity" means any replacement Product which Seller has elected to provide to Buyer in accordance with the terms of Section 4.5.

1.2 "Applicable Laws" means any law, rule, regulation, order, decision, judgment, or other legal or regulatory determination by any Governmental Body having jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.

1.3 "Availability Incentive Payments" shall mean as set forth in the Tariff.

1.4 "Availability Standards" shall mean Availability Standards as defined in FERC filing ER09-1064 or such other similar term as modified and approved by FERC thereafter to be incorporated in the Tariff or otherwise applicable to CAISO.

1.5 "Buyer" has the meaning specified in the introductory paragraph hereof.

1.6 "CAISO" means the California Independent System Operator or its successor.

1.7 "Capacity Replacement Price" means (a) the price actually paid for any Replacement Capacity purchased by Buyer pursuant to Section 4.7 hereof, plus costs reasonably incurred by Buyer in purchasing such Replacement Capacity, or (b) absent a purchase of any Replacement Capacity, the market price for such Designated RA Capacity not provided at the Delivery Point. The Buyer shall determine such market prices in a commercially reasonable manner. For purposes of the definition of Section 1.51 of the Master Agreement, "Capacity Replacement Price" shall be deemed to be the "Replacement Price."

1.8 "Confirmation" has the meaning specified in the introductory paragraph hereof.

1.9 "Confirmation Effective Date" has the meaning specified in the introductory paragraph hereof.

1.10 "Contingent Firm RA Product" has the meaning specified in Section 3.4 hereof.

1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified under the RA Capacity Price Table in Section 4.9.
1.12 "Contract Quantity" means, with respect to any particular Showing Month of the Delivery Period, the amount of Product (in MWs) set forth in table in Section 4.3 which Seller has agreed to provide to Buyer from the Unit for such Showing Month.

1.13 "CPUC Decisions" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-06-063, 16-06-045, and 17-06-027 and subsequent decisions related to resource adequacy issued from time to time by the CPUC.

1.14 “CPUC Filing Guide” means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSE’s to demonstrate compliance with the CPUC’s resource adequacy program.

1.15 "Delivery Period" has the meaning specified in Section 4.1 hereof.

1.16 "Delivery Point" has the meaning specified in Section 4.2 hereof.

1.17 "Designated RA Capacity" shall be equal to, with respect to any particular Showing Month of the Delivery Period, the Contract Quantity of Product for such Showing Month including the amount of Contract Quantity that Seller has elected to provide Alternate Capacity with respect to, minus any reductions to Contract Quantity specified in Section 4.4 with respect to which Seller has not elected to provide Alternate Capacity.

1.18 “Effective Flexible Capacity” means the flexible capacity of a resource that can be counted towards an LSE’s FCR obligation, as identified from time to time by the Tariff, the CPUC Decisions, LRA, or other Governmental Body having jurisdiction.

1.19 “FCR Attributes” means, with respect to a Unit, any and all FCR attributes that can be counted toward an LSE’s FCR, as they are identified from time to time by the CPUC Decisions, the Tariff, an LRA, or other Governmental Body having jurisdiction that can be counted toward FCR and are consistent with the operational limitations and physical characteristics of such Unit. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or re-defines the FCR Attributes of a Unit, then such change will not result in a change in obligations or payments made pursuant to this Transaction.

1.20 “FCR Showings” means the FCR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions and the Tariff, or to an LRA having jurisdiction over the LSE.

1.21 "Firm RA Product" has the meaning specified in the Section 3.3 hereof.

1.22 "Flexible Capacity Requirements" or “FCR” means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by an LRA or other Governmental Body having jurisdiction.

1.23 “Flexible RA Product” has the meaning specified in the Section 3.2 hereof.

1.24 "GADS" means the Generating Availability Data System or its successor.

1.25 “Generic RA Product” means Designated RA Capacity consisting of RAR Attributes and, if applicable, LAR Attributes, which does not include FCR Attributes.

1.26 "Governmental Body" means (i) any federal, state, local, municipal or other government; (ii) any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or
entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and (iii) any court or governmental tribunal.

1.27 "LAR" means local area reliability, which is any program of localized resource adequacy requirements established for jurisdictional LSEs by the CPUC pursuant to the CPUC Decisions, or by another LRA having jurisdiction over the LSE, as implemented in the Tariff. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.

1.28 "LAR Attributes" means, with respect to a Unit, any and all resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC Decisions, CAISO, LRA, or other Governmental Body having jurisdiction, associated with the physical location or point of electrical interconnection of the Unit within the CAISO Control Area, that can be counted toward LAR and are consistent with the operational limitations and physical characteristics of such Unit, but exclusive of any RAR Attributes which are not associated with where in the CAISO Control Area the Unit is physically located or electrically interconnected. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or re-defines existing local areas, then such change will not result in a change in obligations or payments made pursuant to this Transaction.

1.29 “LAR Showings” means the LAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to an LRA having jurisdiction over the LSE.

1.30 “LRA” has the meaning set forth in the Tariff.

1.31 "LSE" means load-serving entity. LSEs may be an investor-owned utility, an electric service provider, a community aggregator or community choice aggregator, or a municipality serving load in the CAISO Control Area (excluding exports).

1.32 "Master Agreement" has the meaning specified in the introductory paragraph hereof.

1.33 "Monthly Delivery Period" means each calendar month during the Delivery Period and shall correspond to each Showing Month.

1.34 "Monthly RA Capacity Payment" has the meaning specified in Section 4.9 hereof.

1.35 "NERC" means the North American Electric Reliability Council, or its successor.

1.36 "NERC/GADS Protocols" means the GADS protocols established by NERC, as may be updated from time to time.

1.37 "Net Qualifying Capacity" has the meaning set forth in the Tariff.

1.38 "Non-Availability Charges" has the meaning set forth in the Tariff.

1.39 "Outage" means disconnection, separation, or reduction in the capacity of any Unit that relieves all or part of the offer obligations of the Unit consistent with the Tariff. For the avoidance of doubt, Outage shall be deemed to include Planned Outage (defined below).

1.40 "Planned Outage" means, subject to and as further described in the CPUC Decisions and the Tariff (Planned Outage referred to as "Approved Maintenance Outage" under the Tariff), a CAISO-approved planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for
the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.

1.41 "Product" has the meaning specified in Article 3 hereof.

1.42 "RA Availability" means, for each Unit, expressed as a percentage, (a) the Unit’s Designated RA Capacity for a Monthly Delivery Period, divided by (b) the Contract Quantity, provided that a Unit’s RA Availability shall not exceed 1.00.

1.43 "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR, LAR, and FCR purposes for the Delivery Period, as determined by the CAISO, or other Governmental Body authorized to make such determination under Applicable Laws. RA Capacity encompasses the RAR Attributes, LAR Attributes and FCR Attributes of the capacity provided by a Unit, as applicable pursuant to this Confirmation.

1.44 "RA Capacity Flat Price" means the price specified in the RA Capacity Flat Price Table in Section 4.9 hereof.

1.45 "RAR" means the resource adequacy requirements, exclusive of LAR and FCR, established for LSEs by the CPUC pursuant to the CPUC Decisions, or by an LRA or other Governmental Body having jurisdiction.

1.46 "RAR Attributes" means, with respect to a Unit, any and all resource adequacy attributes, as they are identified as of the Confirmation Effective Date by the Tariff, the CPUC Decisions, LRA, or any Governmental Body having jurisdiction, that can be counted toward RAR and are consistent with the operational limitations and physical characteristics of such Unit, exclusive of any LAR Attributes or FCR Attributes.

1.47 "RAR Showings" means the RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and/or, to the extent authorized by the CPUC, to the CAISO), pursuant to the Tariff, the CPUC Decisions or LRA having jurisdiction.

1.48 "Replacement Capacity" has the meaning specified in Section 4.7 hereof.

1.49 "Replacement Unit" means a generating unit meeting the requirements specified in Section 4.5.

1.50 "Resource Category" shall be as described in the CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

1.51 "Scheduling Coordinator" has the same meaning as in the Tariff.

1.52 "Seller" has the meaning specified in the introductory paragraph hereof.

1.53 "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, LAR showing, and/or FCR Showing, as applicable, as set forth in the CPUC Decisions. For illustrative purposes only, pursuant to the CPUC Decisions in effect as of the Confirmation Effective Date, the monthly RAR Showing made in June is for the Showing Month of August.

1.54 "Supply Plan" means the supply plans, or similar or successor filings, that each Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other Governmental Body, pursuant to Applicable Laws, in order for that RA Capacity to count for its RAR Attributes, LAR Attributes, and/or FCR Attributes.

1.55 "Tariff" means the tariff and protocol provisions of the CAISO, including associated rules, procedures and business practice manuals, as amended or supplemented from time to time.

1.56 "Transaction" has the meaning specified in the introductory paragraph hereof.
1.57 "Unit" or "Units" shall mean the generation assets described in Article 2 hereof (including any Replacement Units), from which RA Capacity is provided by Seller to Buyer.

1.58 "Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. If the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, then for the period in which the adjustment is effective, the Unit NQC shall be deemed the lesser of (i) the Unit NQC as of the Confirmation Effective Date, and (ii) the CAISO-adjusted Net Qualifying Capacity.

1.59 "Unit EFC" means the Effective Flexible Capacity set by the CAISO for the applicable Unit. If the CAISO adjusts the Effective Flexible Capacity of a Unit after the Confirmation Effective Date, then for the period in which the adjustment is effective, the Unit EFC shall be deemed the lesser of (i) the Unit EFC as of the Confirmation Effective Date, and (ii) the CAISO-adjusted Effective Flexible Capacity. To the extent the Confirmation Effective Date of this Confirmation occurs prior to the CAISO’s setting of a Unit EFC for the applicable Unit, the Unit EFC shall be as agreed to by the Parties and specified in Article 2, and Seller represents that, to the best of its knowledge, this Unit EFC is consistent with the CAISO’s methodology for determining Unit EFC as of the Confirmation Effective Date. To the extent the CAISO creates new categories of flexible capacity during the term of this Transaction and a Unit can count toward such new categories of flexible capacity while operating consistent with the operational limitation and physical characteristics of such Unit, any and all such new categories of flexible capacity shall be deemed to be part of the Effective Flexible Capacity of that Unit. The above notwithstanding, to the extent the CAISO decides to reduce the applicable Unit EFC, Seller shall not be liable for any costs or damages related to such reduction and the Unit EFC shall be reduced per Section 4.4 of this Confirmation.

2. **UNIT INFORMATION**

**Name:** Los Medanos Energy Center Aggregate

**Location:** Pittsburg, CA

**CAISO Resource ID:** LMEC_1_PL1X3

**Resource Type:** _Phys_Res

**Resource Category (1, 2, 3 or 4):** 4

**Point of interconnection with the CAISO Controlled Grid ("Substation"):** Pittsburg

**Path 26 (North, South or None):** North

**Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment:** None

**Run Hour Restrictions:** None

**LAR Attributes (Yes/No):** Yes

If yes: Local Capacity Area (as of Confirmation Effective Date): Greater Bay Area

**Product Type (Flexible/Generic):** Flexible

If Generic: Unit NQC (as of the Confirmation Effective Date): N/A

If Flexible: Unit EFC (as of the Confirmation Effective Date): Varies by Month
Flexible Capacity Category (Base/Peak/Super-peak) (as of the Confirmation Effective Date): Base

3. RESOURCE ADEQUACY CAPACITY PRODUCT

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Confirmation, the Designated RA Capacity in the amount of the Contract Quantity of (i) RAR Attributes and, if applicable, LAR Attributes, and (ii) FCR Attributes, if Flexible RA Product is specified in Section 3.2, and the Contract Quantity shall be either a Firm RA Product or a Contingent Firm RA Product, as specified in either Section 3.3 or 3.4 (the “Product”). The Product does not confer to Buyer any right to the electrical output from the Units, other than the right to include the Designated RA Capacity associated with the Contract Quantity in RAR Showings, LAR Showings, and FCR Showings, as applicable, and any other capacity or resource adequacy markets or proceedings as specified in this Confirmation. Specifically, no energy or ancillary services associated with any Unit is required to be made available to Buyer as part of this Transaction and Buyer shall not be responsible for compensating Seller for Seller’s commitments to the CAISO required by this Confirmation. Seller retains the right to sell pursuant to the Tariff any RA Capacity from a Unit that is in excess of that Unit’s Contract Quantity and any RAR Attributes, LAR Attributes or FCR Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.1 RAR and LAR Attributes

Seller shall provide Buyer with the Designated RA Capacity of RAR Attributes and, if applicable, LAR Attributes from each Unit, as measured in MWs, in accordance with the terms and conditions of this Agreement.

3.2 Flexible RA Product

Seller shall provide Buyer with Designated RA Capacity of FCR Attributes from the Units in the amount of the applicable Contract Quantity.

3.3 Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units in the amount of the Contract Quantity. If the Units are not available to provide the full amount of the Contract Quantity for any reason other than Force Majeure, including without limitation any Outage or any adjustment of the RA Capacity of any Unit, pursuant to Section 4.4, then, Seller shall provide Buyer with Designated RA Capacity from one or more Replacement Units pursuant to Section 4.5 hereof. If Seller fails to provide Buyer with replacement Designated RA Capacity from Replacement Units pursuant to Section 4.5, then Seller shall be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof.

3.4 Contingent Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units in the amount of the applicable Contract Quantity; provided, however, that if (i) the Units are not available to provide the full amount of the Contract Quantity due to Force Majeure, any Planned Outage or any reduction of the RA Capacity of any Unit, and (ii) Seller has given Buyer timely notice pursuant to Section 4.5, then, Seller may either reduce the Contract Quantity or provide Buyer with Designated RA Capacity from one or more Replacement Units pursuant to Section 4.5 hereof. If Seller fails to provide Buyer with any portion of the Designated RA Capacity for (x) a reason other than a Force Majeure, Planned Outage or reduction of the RA Capacity of any Unit, or (y) Seller failed to give Buyer timely notice pursuant to Section 4.5(a), then Seller shall be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof.

O:\Conf\RA & LAR Deals\Silicon Valley Clean Energy Authority\2237624_Phys Capacity\SVCEA 03.09.2018
4. **DELIVERY AND PAYMENT**

4.1 **Delivery Period**

The Delivery Period shall be January 1, 2019 through December 31, 2023, inclusive.

4.2 **Delivery Point**

The Delivery Point for each Unit shall be the CAISO Control Area, and if applicable, the LAR region in which the Unit is electrically interconnected.

4.3 **Contract Quantity**

The Contract Quantity of each Unit for each Monthly Delivery Period shall be:

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<tr>
<th>Month</th>
<th>Contract Quantity (MWs)</th>
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4.4 **Adjustments to Contract Quantity**

(a) **Planned Outages**: Seller’s obligation to deliver the Contract Quantity for any Showing Month may be reduced at Seller’s option if any portion of the Unit is scheduled for a Planned Outage during the applicable Showing Month; provided, Seller notifies Buyer, no later than fifteen (15) Business Days before the relevant deadlines for the corresponding RAR Showings, LAR Showings and/or FCR Showings applicable to that Showing Month, of the amount of Product from the Unit Buyer is permitted to include in Buyer’s RAR Showings, LAR Showings, and/or FCR Showings applicable to that month as a result of such Planned Outage.

If Seller is unable to provide the applicable Contract Quantity for a Showing Month because of a Planned Outage of a Unit, Seller has the option, but not the obligation, to
provide Product for such Showing Month from Replacement Units, provided, Seller
provides and identifies such Replacement Units in accordance with Section 4.5. If Seller
chooses not to provide Product from Replacement Units and a Unit is on a Planned
Outage for the applicable Showing Month, then, the Contract Quantity shall be revised
in accordance with any applicable adjustments stipulated by the CPUC Filing Guide or
CAISO Tariff in effect for the applicable Showing Month in which the Planned Outage
occurs.

(b) Reductions in Unit NQC: If Product is both (i) Generic RA Product, and (ii)
Contingent
Firm RA Product specified under Section 3.4, then Seller’s obligation to deliver the
applicable Contract Quantity for any Showing Month may also be reduced if the Unit
experiences a reduction in Unit NQC as determined by the CAISO. Seller’s potential
reduction in Contract Quantity for each remaining Showing Month shall equal the
product of (a) the applicable Showing Month Contract Quantity and (b) the total amount
(in MW) Unit NQC was reduced since Confirmation Effective Date, divided by (c) Unit
NQC as of the Confirmation Effective Date. If the Unit experiences such a reduction in
Unit NQC, then Seller has the option, but not the obligation, to provide the applicable
Contract Quantity for such Showing Month from (i) the same Unit, provided the Unit has
sufficient remaining and available Product and/or (ii) from Replacement Units, provided,
that in each case Seller provides and identifies such Replacement Units in accordance
with Section 4.5.

c) If Product is both (i) Flexible RA Product specified under Section 3.2, and (ii)
Contingent
Firm RA Product specified under Section 3.4, then Seller’s obligation to deliver the
applicable Contract Quantity of Product for any Showing Month may also be reduced if
the Unit experiences a reduction in Unit EFC as determined by the CAISO. Seller’s
potential reduction in Contract Quantity for each remaining Showing Month shall equal
the product of (a) the applicable Showing Month Contract Quantity and (b) the total amount
(in MW) Unit EFC was reduced since Confirmation Effective Date, divided by (c) Unit
EFC as of the Confirmation Effective Date. If the Unit experiences such a reduction in
Unit EFC, then Seller has the option, but not the obligation, to provide the applicable
Contract Quantity for such Showing Month from (i) the same Unit, provided the Unit has
sufficient remaining and available Product and/or (ii) from Replacement Units, provided,
that in each case Seller provides and identifies such Replacement Units in accordance
with Section 4.5

4.5 Alternate Capacity and Replacement Units

(a) If Seller is unable to provide the full Contract Quantity for any Showing Month for any
reason, including, without limitation, due to one of the reasons specified in Section 4.4,
or Seller desires to provide the Contract Quantity for any Showing Month from a
different generating unit other than the Unit, then Seller may, at no cost to Buyer,
provide Buyer with Alternate Capacity from one or more Replacement Units, with the
total amount of Product provided to Buyer from the Unit and Replacement Units up to
an amount equal to the Contract Quantity for the applicable Showing Month; provided
that in each case, Seller shall notify Buyer of its intent (i) not to provide or (ii) to provide
Alternative Capacity and identify Replacement Units meeting the above requirements
no later than fifteen (15) Business Days before that Showing Month’s applicable
deadlines for Buyer’s RAR Showings, LAR Showings, and/or FCR Showings. If Seller
notifies Buyer in writing as to the particular Replacement Units and such Units meet the
requirements of this Section 4.5, then such Replacement Units shall be automatically
deemed a Unit for purposes of this Confirmation for that Showing Month.
(b) With respect to a Contingent Firm RA Product, if Seller does not provide Alternate Capacity in an amount equal to the Contract Quantity for that Showing Month, then Buyer may, but shall not be required to, purchase replacement Product. Seller shall not be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof if the failure to deliver the full Contract Quantity is due to Force Majeure, any Planned Outage or any reduction of the RA Capacity of any Unit and Seller notified Buyer, no later than ten (10) Business Days before that Showing Month’s relevant deadlines for Buyer’s RAR Showings, LAR Showings, and/or FCR Showings, as applicable, of Seller’s intent not to provide Alternate Capacity in an amount equal to the Contract Quantity of that Showing Month.

4.6 Delivery of Product

Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month consistent with the following:

(a) Seller shall, on a timely basis, submit, or cause the Unit’s SC to submit, Supply Plans to identify and confirm the Designated RA Capacity provided to Buyer for each Showing Month so that the total amount of Designated RA Capacity identified and confirmed for such Showing Month equals the Designated RA Capacity, unless specifically requested not to do so by the Buyer.

(b) Seller shall cause the Unit’s Scheduling Coordinator to submit written notification to Buyer, no later than fifteen (15) Business Days before the applicable RAR Showings, LAR Showings and/or FCR Showings deadlines for each Showing Month, that Buyer will be credited with the Designated RA Capacity for such Showing Month in the Unit’s Scheduling Coordinator Supply Plan so that the Designated RA Capacity credited equals the Designated RA Capacity for such Showing Month.

4.7 Damages for Failure to Provide Designated RA Capacity

If Seller fails to provide Buyer with the Designated RA Capacity of Product for any Showing Month then the following shall apply:

(a) Buyer may, but shall not be required to, replace any portion of the Designated RA Capacity not provided by Seller with capacity having equivalent RAR Attributes, LAR Attributes and/or FCR Attributes as the Designated RA Capacity not provided by Seller, provided, that, if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having RAR Attributes and no LAR Attributes (such capacity shall also include FCR Attributes if this is a Flexible Capacity Product) and no such RAR capacity is available, then Buyer may replace such portion of the Designated RA Capacity with other capacity having RAR Attributes and LAR Attributes (as well as FCR Attributes if this is a Flexible Capacity Product) ("Replacement Capacity"). Such Replacement Capacity may be provided by CAISO to Buyer pursuant to the Tariff. Buyer may enter into purchase transactions with one or more parties to replace any portion of Designated RA Capacity not provided by Seller. Additionally, Buyer may enter into one or more arrangements to repurchase its obligation to sell and deliver capacity to another party and, to the extent such transactions are done at prevailing market prices, such arrangements shall be considered equivalent to the procurement of Replacement Capacity. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.
(b) Seller shall pay to Buyer at the time set forth in Section 4.1 of the Master Agreement, the following damages in lieu of damages specified in Section 4.1 of the Master Agreement: an amount equal to the positive difference, if any, between (i) the sum of (A) the actual cost paid by Buyer for any Replacement Capacity, plus (B) each Capacity Replacement Price times the amount of the Designated RA Capacity neither provided by Seller nor purchased by Buyer pursuant to Section 4.7(a), and (ii) the Designated RA Capacity not provided for the applicable Showing Month times the Contract Price for that month. If Seller fails to pay these damages, then Buyer may offset those damages owed it against any future amounts it may owe to Seller under this Confirmation pursuant to Article Six of the Master Agreement.

4.8 Indemnities for Failure to Deliver Contract Quantity

Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, resulting from any of the following:

(a) Seller’s failure to provide any portion of the Designated RA Capacity;

(b) Seller’s failure to provide notice of the non-availability of any portion of Designated RA Capacity as required under Section 4.6;

(c) A Unit Scheduling Coordinator’s failure to timely submit Supply Plans that identify Buyer’s right to the Designated RA Capacity purchased hereunder; or

(d) A Unit Scheduling Coordinator’s failure to submit accurate Supply Plans that identify Buyer’s right to the Designated RA Capacity purchased hereunder.

With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, that in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties and fines. If Seller fails to pay the foregoing penalties, fines or costs, or fails to reimburse Buyer for those penalties, fines or costs, then Buyer may offset those penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation.

4.9 Monthly RA Capacity Payment

In accordance with the terms of Article Six of the Master Agreement, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit, in arrears after the applicable Showing Month. Each Unit's Monthly RA Capacity Payment shall be equal to the product of (a) the applicable Contract Price for that Monthly Delivery Period, (b) the Designated RA Capacity for the Monthly Delivery Period, and (c) 1,000. The final product of this Monthly RA Capacity Payment calculation shall be rounded to the nearest penny (i.e., two decimal places).
RA CAPACITY PRICE TABLE

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<th>Contract Year/Month</th>
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4.10 Allocation of Other Payments and Costs

Seller may retain any revenues it may receive from the CAISO or any other third party with respect to any Unit for (a) start-up, shut-down, and minimum load costs, (b) capacity revenue for ancillary services, (c) energy sales, (d) any revenues for black start or reactive power services, or (e) the sale of the unit-contingent call rights on the generation capacity of the Unit to provide energy to a third party, so long as such rights do not confer on such third party the right to claim any portion of the RA Capacity sold hereunder in order to make an RAR Showing, LAR Showing, FCR Showing, or any similar capacity or resource adequacy showing with the CAISO or CPUC. Buyer acknowledges and agrees that all Availability Incentive Payments are for the benefit of Seller and for Seller’s account, and that Seller shall receive, retain, or be entitled to receive all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards. The Parties acknowledge and agree that any Non-Availability Charges are the responsibility of Seller, and for Seller’s account and Seller shall be responsible for all fees, charges, or penalties, if any, resulting from Seller failing to achieve Availability Standards. However, Buyer shall be entitled to receive and retain all revenues associated with the Designated RA Capacity of any Unit during the Delivery Period (including any capacity or availability revenues from RMR Agreements for any Unit, Reliability Compensation Services Tariff, and Residual Unit Commitment capacity payments, but excluding payments described in clauses (a) through (c) above). In accordance with Section 4.9 of this Confirmation and Article Six of the Master Agreement, all such revenues received by Seller, or a Unit’s SC, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Buyer does not receive, and Seller shall pay such revenues to Buyer if the Unit’s SC, owner, or operator fails to remit those revenues to Buyer. If Seller fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues pursuant to Article Six of the Master Agreement against any future amounts it may owe to Seller under this Confirmation. If a centralized capacity market develops within the CAISO region, Buyer will have exclusive rights to offer, bid, or otherwise submit Designated RA Capacity provided to Buyer pursuant to this Confirmation for re-sale in such market, and retain and receive any and all related revenues.
5. **CAISO OFFER REQUIREMENTS**

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event of Force Majeure that results in a partial or full Outage of that Unit, Seller shall either schedule or cause the Unit’s Scheduling Coordinator to schedule with, or make available to, the CAISO each Unit’s Designated RA Capacity in compliance with the Tariff, and shall perform all, or cause the Unit’s Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the sale of Designated RA Capacity hereunder. Buyer shall have no liability for the failure of Seller or the failure of any Unit’s Scheduling Coordinator, owner, or operator to comply with such Tariff provisions, including any penalties or fines imposed on Seller or the Unit’s Scheduling Coordinator, owner, or operator for such noncompliance.

6. **RESERVED**

7. **OTHER BUYER AND SELLER COVENANTS**

(a) Buyer and Seller shall, throughout the Delivery Period, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer’s right to the use of the Contract Quantity for the sole benefit of Buyer’s RAR, LAR and/or FCR, as applicable. Such commercially reasonable actions (neither Party shall be required to spend more than $10,000 in total under the Agreement in support of such actions) shall include, without limitation:

(b) Cooperating with and providing, and in the case of Seller causing each Unit’s Scheduling Coordinator, owner, or operator to cooperate with and provide requested supporting documentation to the CAISO, the CPUC, or any other Governmental Body responsible for administering RAR, LAR and/or FCR under Applicable Laws, to certify or qualify the Contract Quantity as RA Capacity and Designated RA Capacity. Such actions shall include, without limitation, providing information requested by the CAISO, the CPUC, or by an LRA having jurisdiction, to demonstrate for each month of the Delivery Period the ability to deliver the Contract Quantity from each Unit to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, and providing information requested by the CPUC, the CAISO or other Governmental Body having jurisdiction to administer RAR, LAR or FCR to demonstrate that the Contract Quantity can be delivered to the CAISO Controlled Grid, pursuant to "deliverability" standards established by the CAISO, or other Governmental Body having jurisdiction to administer RAR, LAR and/or FCR; and

(c) Negotiating in good faith to make necessary amendments, if any, to this Confirmation to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, CAISO, FERC, or other Governmental Body having jurisdiction to administer RAR, LAR and FCR, so as to maintain the purpose of the benefits of the bargain struck by the Parties on the Confirmation Effective Date.

7.2 Seller represents, warrants and covenants to Buyer that, throughout the Delivery Period:

(a) Seller owns or has the exclusive right to the RA Capacity sold under this Confirmation from each Unit, and shall furnish Buyer, CAISO, CPUC or other jurisdictional LRA, or other Governmental Body with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;
(b) No portion of the Contract Quantity has been committed by Seller to any third party in order to satisfy RAR, LAR, FCR or such analogous capacity obligations in CAISO markets, other than pursuant to an RMR Agreement between the CAISO and either Seller or the Unit’s owner or operator;

(c) No portion of the Contract Quantity has been committed by Seller in order to satisfy RAR, LAR, FCR, or analogous capacity obligations in any non-CAISO market;

(d) Each Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, or is under the control of CAISO;

(e) The owner or operator of each Unit is obligated to maintain and operate each Unit using Good Utility Practice and, if applicable, General Order 167 as outlined by the CPUC in the Enforcement of Maintenance and Operation Standards for Electric Generating Facilities Adopted May 6, 2004, and is obligated to abide by all Applicable Laws in operating such Unit; provided, that the owner or operator of any Unit is not required to undertake capital improvements, facility enhancements, or the construction of new facilities;

(f) The owner or operator of each Unit is obligated to comply with Applicable Laws, including the Tariff, relating to RA Capacity and, as applicable, RAR, LAR and/or FCR;

(g) If Seller is the owner of any Unit, the respective cumulative sums of LAR Attributes, RAR Attributes, and FCR Attributes that Seller has sold, assigned or transferred for any Unit does not exceed that Unit’s RA Capacity;

(h) With respect to the RA Capacity provided under this Confirmation, Seller shall, and each Unit’s SC is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, and RAR, LAR and FCR;

(i) Seller has notified the SC of each Unit that Seller has transferred the Designated RA Capacity to Buyer, and the SC is obligated to deliver the Supply Plans in accordance with the Tariff;

(j) Seller has notified the SC of each Unit that Seller is obligated to cause each Unit’s SC to provide to the Buyer, at least five (5) Business Days before the relevant deadline for each RAR Showing, LAR Showing, and/or FCR Showing, as applicable, the Designated RA Capacity of each Unit that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and

(k) Seller has notified each Unit’s SC that Buyer is entitled to the revenues set forth in Section 4.10 of this Confirmation, and such SC is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

8. CONFIDENTIALITY

Notwithstanding Section 10.11 of the Master Agreement, the Parties agree that Buyer may disclose the Designated RA Capacity under this Transaction to any Governmental Body, the CPUC, the CAISO or any LRA having jurisdiction in order to support its LAR Showings, RAR Showings, and/or FCR Showings, as applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the SC of each Unit in order for such SC to timely submit accurate Supply Plans.
9. BUYER’S RE-SALE OF PRODUCT

Buyer may re-sell all or a portion of the Product hereunder.

10. [MARKET BASED RATE AUTHORITY]

Seller agrees, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, to, upon request of Buyer, submit a letter of concurrence in support of any affirmative statement by Buyer that this contractual arrangement does not transfer “ownership or control of generation capacity” from Seller to Buyer as the term “ownership or control of generation capacity” is used in 18 CFR Section 35.42. Seller also agrees that it will not, in filings, if any, made subject to Order Nos. 652 and 697, claim that this contractual arrangement conveys ownership or control of generation capacity from Seller to Buyer.

11. COLLATERAL REQUIREMENTS

Performance Assurance shall not be required from either Party in connection with this Transaction.

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE

Calpine Energy Services, L.P.                                           Silicon Valley Clean Energy Authority

By: ____________________________                                         By: ____________________________
Name: Andrew Novotny                                                  Name: ____________________________
Title: Vice President                                                  Title: ____________________________
This confirmation letter ("Confirmation") confirms the Transaction between Calpine Energy Services, L.P., a Delaware company ("Seller") and Silicon Valley Clean Energy Authority, a California joint powers authority ("Buyer"), each individually a "Party" and together the "Parties", dated as of March 9, 2018 (the "Confirmation Effective Date"), in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Article 3 of this Confirmation. This Transaction is governed by the Edison Electric Institute Master Power Purchase and Sale Agreement between the Parties, and that certain Cover Sheet, effective as of March 9, 2018, along with any annexes and amendments thereto (collectively, the "Master Agreement"). The Master Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or the Tariff (as defined herein).

1. DEFINITIONS

1.1 "Alternate Capacity" means any replacement Product which Seller has elected to provide to Buyer in accordance with the terms of Section 4.5.

1.2 "Applicable Laws" means any law, rule, regulation, order, decision, judgment, or other legal or regulatory determination by any Governmental Body having jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.

1.3 "Availability Incentive Payments" shall mean as set forth in the Tariff.

1.4 "Availability Standards" shall mean Availability Standards as defined in FERC filing ER09-1064 or such other similar term as modified and approved by FERC thereafter to be incorporated in the Tariff or otherwise applicable to CAISO.

1.5 "Buyer" has the meaning specified in the introductory paragraph hereof.

1.6 "CAISO" means the California Independent System Operator or its successor.

1.7 "Capacity Replacement Price" means (a) the price actually paid for any Replacement Capacity purchased by Buyer pursuant to Section 4.7 hereof, plus costs reasonably incurred by Buyer in purchasing such Replacement Capacity, or (b) absent a purchase of any Replacement Capacity, the market price for such Designated RA Capacity not provided at the Delivery Point. The Buyer shall determine such market prices in a commercially reasonable manner. For purposes of the definition of Section 1.51 of the Master Agreement, "Capacity Replacement Price" shall be deemed to be the "Replacement Price."

1.8 "Confirmation" has the meaning specified in the introductory paragraph hereof.

1.9 "Confirmation Effective Date" has the meaning specified in the introductory paragraph hereof.

1.10 "Contingent Firm RA Product" has the meaning specified in Section 3.4 hereof.

1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified under the RA Capacity Price Table in Section 4.9.
1.12 "Contract Quantity" means, with respect to any particular Showing Month of the Delivery Period, the amount of Product (in MWs) set forth in table in Section 4.3 which Seller has agreed to provide to Buyer from the Unit for such Showing Month.

1.13 "CPUC Decisions" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-06-063, 16-06-045, and 17-06-027 and subsequent decisions related to resource adequacy issued from time to time by the CPUC.

1.14 "CPUC Filing Guide" means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSE’s to demonstrate compliance with the CPUC’s resource adequacy program.

1.15 "Delivery Period" has the meaning specified in Section 4.1 hereof.

1.16 "Delivery Point" has the meaning specified in Section 4.2 hereof.

1.17 "Designated RA Capacity" shall be equal to, with respect to any particular Showing Month of the Delivery Period, the Contract Quantity of Product for such Showing Month including the amount of Contract Quantity that Seller has elected to provide Alternate Capacity with respect to, minus any reductions to Contract Quantity specified in Section 4.4 with respect to which Seller has not elected to provide Alternate Capacity.

1.18 "Effective Flexible Capacity" means the flexible capacity of a resource that can be counted towards an LSE’s FCR obligation, as identified from time to time by the Tariff, the CPUC Decisions, LRA, or other Governmental Body having jurisdiction.

1.19 "FCR Attributes" means, with respect to a Unit, any and all FCR attributes that can be counted toward an LSE’s FCR, as they are identified from time to time by the CPUC Decisions, the Tariff, an LRA, or other Governmental Body having jurisdiction that can be counted toward FCR and are consistent with the operational limitations and physical characteristics of such Unit. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or redefines the FCR Attributes of a Unit, then such change will not result in a change in obligations or payments made pursuant to this Transaction.

1.20 "FCR Showings" means the FCR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions and the Tariff, or to an LRA having jurisdiction over the LSE.

1.21 "Firm RA Product" has the meaning specified in the Section 3.3 hereof.

1.22 "Flexible Capacity Requirements" or "FCR" means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by an LRA or other Governmental Body having jurisdiction.

1.23 "Flexible RA Product" has the meaning specified in the Section 3.2 hereof.

1.24 "GADS" means the Generating Availability Data System or its successor.

1.25 "Generic RA Product" means Designated RA Capacity consisting of RAR Attributes and, if applicable, LAR Attributes, which does not include FCR Attributes.

1.26 "Governmental Body" means (i) any federal, state, local, municipal or other government; (ii) any governmental, regulatory or administrative agency, commission or other authority lawfully
exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and (iii) any court or governmental tribunal.

1.27 "LAR" means local area reliability, which is any program of localized resource adequacy requirements established for jurisdictional LSEs by the CPUC pursuant to the CPUC Decisions, or by another LRA having jurisdiction over the LSE, as implemented in the Tariff. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.

1.28 "LAR Attributes" means, with respect to a Unit, any and all resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC Decisions, CAISO, LRA, or other Governmental Body having jurisdiction, associated with the physical location or point of electrical interconnection of the Unit within the CAISO Control Area, that can be counted toward LAR and are consistent with the operational limitations and physical characteristics of such Unit, but exclusive of any RAR Attributes which are not associated with where in the CAISO Control Area the Unit is physically located or electrically interconnected. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or re-defines existing local areas, then such change will not result in a change in obligations or payments made pursuant to this Transaction.

1.29 "LAR Showings" means the LAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to an LRA having jurisdiction over the LSE.

1.30 "LRA" has the meaning set forth in the Tariff.

1.31 "LSE" means load-serving entity. LSEs may be an investor-owned utility, an electric service provider, a community aggregator or community choice aggregator, or a municipality serving load in the CAISO Control Area (excluding exports).

1.32 "Master Agreement" has the meaning specified in the introductory paragraph hereof.

1.33 "Monthly Delivery Period" means each calendar month during the Delivery Period and shall correspond to each Showing Month.

1.34 "Monthly RA Capacity Payment" has the meaning specified in Section 4.9 hereof.

1.35 "NERC" means the North American Electric Reliability Council, or its successor.

1.36 "NERC/GADS Protocols" means the GADS protocols established by NERC, as may be updated from time to time.

1.37 "Net Qualifying Capacity" has the meaning set forth in the Tariff.

1.38 "Non-Availability Charges" has the meaning set forth in the Tariff.

1.39 "Outage" means disconnection, separation, or reduction in the capacity of any Unit that relieves all or part of the offer obligations of the Unit consistent with the Tariff. For the avoidance of doubt, Outage shall be deemed to include Planned Outage (defined below).

1.40 "Planned Outage" means, subject to and as further described in the CPUC Decisions and the Tariff (Planned Outage referred to as “Approved Maintenance Outage" under the Tariff), a CAISO-approved planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.
1.41 "Product" has the meaning specified in Article 3 hereof.

1.42 "RA Availability" means, for each Unit, expressed as a percentage, (a) the Unit's Designated RA Capacity for a Monthly Delivery Period, divided by (b) the Contract Quantity, provided that a Unit's RA Availability shall not exceed 1.00.

1.43 "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR, LAR, and FCR purposes for the Delivery Period, as determined by the CAISO, or other Governmental Body authorized to make such determination under Applicable Laws. RA Capacity encompasses the RAR Attributes, LAR Attributes and FCR Attributes of the capacity provided by a Unit, as applicable pursuant to this Confirmation.

1.44 "RA Capacity Flat Price" means the price specified in the RA Capacity Flat Price Table in Section 4.9 hereof.

1.45 "RAR" means the resource adequacy requirements, exclusive of LAR and FCR, established for LSEs by the CPUC pursuant to the CPUC Decisions, or by an LRA or other Governmental Body having jurisdiction.

1.46 "RAR Attributes" means, with respect to a Unit, any and all resource adequacy attributes, as they are identified as of the Confirmation Effective Date by the Tariff, the CPUC Decisions, LRA, or any Governmental Body having jurisdiction, that can be counted toward RAR and are consistent with the operational limitations and physical characteristics of such Unit, exclusive of any LAR Attributes or FCR Attributes.

1.47 "RAR Showings" means the RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and/or, to the extent authorized by the CPUC, to the CAISO), pursuant to the Tariff, the CPUC Decisions or LRA having jurisdiction.

1.48 "Replacement Capacity" has the meaning specified in Section 4.7 hereof.

1.49 "Replacement Unit" means a generating unit meeting the requirements specified in Section 4.5.

1.50 "Resource Category" shall be as described in the CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

1.51 "Scheduling Coordinator" has the same meaning as in the Tariff.

1.52 "Seller" has the meaning specified in the introductory paragraph hereof.

1.53 "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, LAR showing, and/or FCR Showing, as applicable, as set forth in the CPUC Decisions. For illustrative purposes only, pursuant to the CPUC Decisions in effect as of the Confirmation Effective Date, the monthly RAR Showing made in June is for the Showing Month of August.

1.54 "Supply Plan" means the supply plans, or similar or successor filings, that each Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other Governmental Body, pursuant to Applicable Laws, in order for that RA Capacity to count for its RAR Attributes, LAR Attributes, and/or FCR Attributes.

1.55 "Tariff" means the tariff and protocol provisions of the CAISO, including associated rules, procedures and business practice manuals, as amended or supplemented from time to time.

1.56 "Transaction" has the meaning specified in the introductory paragraph hereof.
1.57 "Unit" or "Units" shall mean the generation assets described in Article 2 hereof (including any Replacement Units), from which RA Capacity is provided by Seller to Buyer.

1.58 "Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. If the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, then for the period in which the adjustment is effective, the Unit NQC shall be deemed the lesser of (i) the Unit NQC as of the Confirmation Effective Date, and (ii) the CAISO-adjusted Net Qualifying Capacity.

1.59 “Unit EFC” means the Effective Flexible Capacity set by the CAISO for the applicable Unit. If the CAISO adjusts the Effective Flexible Capacity of a Unit after the Confirmation Effective Date, then for the period in which the adjustment is effective, the Unit EFC shall be deemed the lesser of (i) the Unit EFC as of the Confirmation Effective Date, and (ii) the CAISO-adjusted Effective Flexible Capacity. To the extent the Confirmation Effective Date of this Confirmation occurs prior to the CAISO’s setting of a Unit EFC for the applicable Unit, the Unit EFC shall be as agreed to by the Parties and specified in Article 2, and Seller represents that, to the best of its knowledge, this Unit EFC is consistent with the CAISO’s methodology for determining Unit EFC as of the Confirmation Effective Date. To the extent the CAISO creates new categories of flexible capacity during the term of this Transaction and a Unit can count toward such new categories of flexible capacity while operating consistent with the operational limitation and physical characteristics of such Unit, any and all such new categories of flexible capacity shall be deemed to be part of the Effective Flexible Capacity of that Unit. The above notwithstanding, to the extent the CAISO decides to reduce the applicable Unit EFC, Seller shall not be liable for any costs or damages related to such reduction and the Unit EFC shall be reduced per Section 4.4 of this Confirmation.

2. UNIT INFORMATION

Name: Los Medanos Energy Center Aggregate

Location: Pittsburg, CA

CAISO Resource ID: LMEC_1_PL1X3

Resource Type: I_Phys_Res

Resource Category (1, 2, 3 or 4): 4

Point of interconnection with the CAISO Controlled Grid ("Substation"): Pittsburg

Path 26 (North, South or None): North

Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment: None

Run Hour Restrictions: None

LAR Attributes (Yes/No): Yes

If yes: Local Capacity Area (as of Confirmation Effective Date): Greater Bay Area

Product Type (Flexible/Generic): Generic

If Generic: Unit NQC (as of the Confirmation Effective Date): Varies by Month
If Flexible: Unit EFC (as of the Confirmation Effective Date): N/A

Flexible Capacity Category (Base/Peak/Super-peak) (as of the Confirmation Effective Date): N/A

3. RESOURCE ADEQUACY CAPACITY PRODUCT

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Confirmation, the Designated RA Capacity in the amount of the Contract Quantity of (i) RAR Attributes and, if applicable, LAR Attributes, and (ii) FCR Attributes, if Flexible RA Product is specified in Section 3.2, and the Contract Quantity shall be either a Firm RA Product or a Contingent Firm RA Product, as specified in either Section 3.3 or 3.4 (the “Product”). The Product does not confer to Buyer any right to the electrical output from the Units, other than the right to include the Designated RA Capacity associated with the Contract Quantity in RAR Showings, LAR Showings, and FCR Showings, as applicable, and any other capacity or resource adequacy markets or proceedings as specified in this Confirmation. Specifically, no energy or ancillary services associated with any Unit is required to be made available to Buyer as part of this Transaction and Buyer shall not be responsible for compensating Seller for Seller’s commitments to the CAISO required by this Confirmation. Seller retains the right to sell pursuant to the Tariff any RA Capacity from a Unit that is in excess of that Unit’s Contract Quantity and any RAR Attributes, LAR Attributes or FCR Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.1 RAR and LAR Attributes

Seller shall provide Buyer with the Designated RA Capacity of RAR Attributes and, if applicable, LAR Attributes from each Unit, as measured in MWs, in accordance with the terms and conditions of this Agreement.

3.2 Flexible RA Product

Seller shall provide Buyer with Designated RA Capacity of FCR Attributes from the Units in the amount of the applicable Contract Quantity.

3.3 Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units in the amount of the Contract Quantity. If the Units are not available to provide the full amount of the Contract Quantity for any reason other than Force Majeure, including without limitation any Outage or any adjustment of the RA Capacity of any Unit, pursuant to Section 4.4, then, Seller shall provide Buyer with Designated RA Capacity from one or more Replacement Units pursuant to Section 4.5 hereof. If Seller fails to provide Buyer with replacement Designated RA Capacity from Replacement Units pursuant to Section 4.5, then Seller shall be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof.

3.4 Contingent Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units in the amount of the applicable Contract Quantity; provided, however, that if (i) the Units are not available to provide the full amount of the Contract Quantity due to Force Majeure, any Planned Outage or any reduction of the RA Capacity of any Unit, and (ii) Seller has given Buyer timely notice pursuant to Section 4.5, then, Seller may either reduce the Contract Quantity or provide Buyer with Designated RA Capacity from one or more Replacement Units pursuant to Section 4.5 hereof. If Seller fails to provide Buyer with any portion of the Designated RA Capacity for (x) a reason other than a Force Majeure, Planned Outage or reduction of the RA Capacity of any Unit, or (y) Seller failed to give Buyer timely notice pursuant to Section 4.5(a), then Seller shall be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof.
4. DELIVERY AND PAYMENT

4.1 Delivery Period

The Delivery Period shall be January 1, 2019 through December 31, 2023, inclusive.

4.2 Delivery Point

The Delivery Point for each Unit shall be the CAISO Control Area, and if applicable, the LAR region in which the Unit is electrically interconnected.

4.3 Contract Quantity

The Contract Quantity of each Unit for each Monthly Delivery Period shall be:

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<tr>
<th>Month</th>
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4.4 Adjustments to Contract Quantity

(a) Planned Outages: Seller’s obligation to deliver the Contract Quantity for any Showing Month may be reduced at Seller’s option if any portion of the Unit is scheduled for a Planned Outage during the applicable Showing Month; provided, Seller notifies Buyer, no later than fifteen (15) Business Days before the relevant deadlines for the corresponding RAR Showings, LAR Showings and/or FCR Showings applicable to that Showing Month, of the amount of Product from the Unit Buyer is permitted to include in Buyer’s RAR Showings, LAR Showings, and/or FCR Showings applicable to that month as a result of such Planned Outage.

If Seller is unable to provide the applicable Contract Quantity for a Showing Month because of a Planned Outage of a Unit, Seller has the option, but not the obligation, to provide Product for such Showing Month from Replacement Units,
If Seller is unable to provide the full Contract Quantity for any Showing Month for any reason, including, without limitation, due to one of the reasons specified in Section 4.4, or Seller desires to provide the Contract Quantity for any Showing Month from a different generating unit other than the Unit, then Seller may, at no cost to Buyer, provide Buyer with Alternate Capacity from one or more Replacement Units, with the total amount of Product provided to Buyer from the Unit and Replacement Units up to an amount equal to the Contract Quantity for the applicable Showing Month; provided that in each case, Seller shall notify Buyer of its intent (i) not to provide or (ii) to provide Alternative Capacity and identify Replacement Units meeting the above requirements no later than fifteen (15) Business Days before that Showing Month’s applicable deadlines for Buyer’s RAR Showings, LAR Showings, and/or FCR Showings. If Seller notifies Buyer in writing as to the particular Replacement Units and such Units meet the requirements of this Section 4.5, then such Replacement Units shall be automatically deemed a Unit for purposes of this Confirmation for that Showing Month.
With respect to a Contingent Firm RA Product, if Seller does not provide Alternate Capacity in an amount equal to the Contract Quantity for that Showing Month, then Buyer may, but shall not be required to, purchase replacement Product. Seller shall not be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof if the failure to deliver the full Contract Quantity is due to Force Majeure, any Planned Outage or any reduction of the RA Capacity of any Unit and Seller notified Buyer, no later than ten (10) Business Days before that Showing Month's relevant deadlines for Buyer's RAR Showings, LAR Showings, and/or FCR Showings, as applicable, of Seller's intent not to provide Alternate Capacity in an amount equal to the Contract Quantity of that Showing Month.

4.6 Delivery of Product

Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month consistent with the following:

(a) Seller shall, on a timely basis, submit, or cause the Unit’s SC to submit, Supply Plans to identify and confirm the Designated RA Capacity provided to Buyer for each Showing Month so that the total amount of Designated RA Capacity identified and confirmed for such Showing Month equals the Designated RA Capacity, unless specifically requested not to do so by the Buyer.

(b) Seller shall cause the Unit’s Scheduling Coordinator to submit written notification to Buyer, no later than fifteen (15) Business Days before the applicable RAR Showings, LAR Showings and/or FCR Showings deadlines for each Showing Month, that Buyer will be credited with the Designated RA Capacity for such Showing Month in the Unit’s Scheduling Coordinator Supply Plan so that the Designated RA Capacity credited equals the Designated RA Capacity for such Showing Month.

4.7 Damages for Failure to Provide Designated RA Capacity

If Seller fails to provide Buyer with the Designated RA Capacity of Product for any Showing Month then the following shall apply:

(a) Buyer may, but shall not be required to, replace any portion of the Designated RA Capacity not provided by Seller with capacity having equivalent RAR Attributes, LAR Attributes and/or FCR Attributes as the Designated RA Capacity not provided by Seller, provided, that, if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having RAR Attributes and no LAR Attributes (such capacity shall also include FCR Attributes if this is a Flexible Capacity Product) and no such RAR capacity is available, then Buyer may replace such portion of the Designated RA Capacity with other capacity having RAR Attributes and LAR Attributes (as well as FCR Attributes if this is a Flexible Capacity Product) (“Replacement Capacity”). Such Replacement Capacity may be provided by CAISO to Buyer pursuant to the Tariff. Buyer may enter into purchase transactions with one or more parties to replace any portion of Designated RA Capacity not provided by Seller. Additionally, Buyer may enter into one or more arrangements to repurchase its obligation to sell and deliver capacity to another party and, to the extent such transactions are done at prevailing market prices, such arrangements shall be considered equivalent to the procurement of Replacement Capacity. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.
(b) Seller shall pay to Buyer at the time set forth in Section 4.1 of the Master Agreement, the following damages in lieu of damages specified in Section 4.1 of the Master Agreement: an amount equal to the positive difference, if any, between (i) the sum of (A) the actual cost paid by Buyer for any Replacement Capacity, plus (B) each Capacity Replacement Price times the amount of the Designated RA Capacity neither provided by Seller nor purchased by Buyer pursuant to Section 4.7(a), and (ii) the Designated RA Capacity not provided for the applicable Showing Month times the Contract Price for that month. If Seller fails to pay these damages, then Buyer may offset those damages owed it against any future amounts it may owe to Seller under this Confirmation pursuant to Article Six of the Master Agreement.

4.8 **Indemnities for Failure to Deliver Contract Quantity**

Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, resulting from any of the following:

(a) Seller's failure to provide any portion of the Designated RA Capacity;

(b) Seller’s failure to provide notice of the non-availability of any portion of Designated RA Capacity as required under Section 4.6;

(c) A Unit Scheduling Coordinator's failure to timely submit Supply Plans that identify Buyer's right to the Designated RA Capacity purchased hereunder; or

(d) A Unit Scheduling Coordinator's failure to submit accurate Supply Plans that identify Buyer's right to the Designated RA Capacity purchased hereunder.

With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, that in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties and fines. If Seller fails to pay the foregoing penalties, fines or costs, or fails to reimburse Buyer for those penalties, fines or costs, then Buyer may offset those penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation.

4.9 **Monthly RA Capacity Payment**

In accordance with the terms of Article Six of the Master Agreement, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit, in arrears after the applicable Showing Month. Each Unit's Monthly RA Capacity Payment shall be equal to the product of (a) the applicable Contract Price for that Monthly Delivery Period, (b) the Designated RA Capacity for the Monthly Delivery Period, and (c) 1,000. The final product of this Monthly RA Capacity Payment calculation shall be rounded to the nearest penny (i.e., two decimal places).
### RA CAPACITY PRICE TABLE

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<th>Contract Year/Month</th>
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#### 4.10 Allocation of Other Payments and Costs

Seller may retain any revenues it may receive from the CAISO or any other third party with respect to any Unit for (a) start-up, shut-down, and minimum load costs, (b) capacity revenue for ancillary services, (c) energy sales, (d) any revenues for black start or reactive power services, or (e) the sale of the unit-contingent call rights on the generation capacity of the Unit to provide energy to a third party, so long as such rights do not confer on such third party the right to claim any portion of the RA Capacity sold hereunder in order to make an RAR Showing, LAR Showing, FCR Showing, or any similar capacity or resource adequacy showing with the CAISO or CPUC. Buyer acknowledges and agrees that all Availability Incentive Payments are for the benefit of Seller and for Seller’s account, and that Seller shall receive, retain, or be entitled to receive all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards. The Parties acknowledge and agree that any Non-Availability Charges are the responsibility of Seller, and for Seller’s account and Seller shall be responsible for all fees, charges, or penalties, if any, resulting from Seller failing to achieve Availability Standards. However, Buyer shall be entitled to receive and retain all revenues associated with the Designated RA Capacity of any Unit during the Delivery Period (including any capacity or availability revenues from RMR Agreements for any Unit, Reliability Compensation Services Tariff, and Residual Unit Commitment capacity payments, but excluding payments described in clauses (a) through (c) above). In accordance with Section 4.9 of this Confirmation and Article Six of the Master Agreement, all such revenues received by Seller, or a Unit’s SC, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Buyer does not receive, and Seller shall pay such revenues to Buyer if the Unit’s SC, owner, or operator fails to remit those revenues to Buyer. If Seller fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues pursuant to Article Six of the Master Agreement against any future amounts it may owe to Seller under this Confirmation. If a centralized capacity market develops within the CAISO region, Buyer will have exclusive rights to offer, bid, or otherwise submit Designated RA Capacity provided to Buyer pursuant to this Confirmation for re-sale in such market, and retain and receive any and all related revenues.
5. **CAISO OFFER REQUIREMENTS**

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event of Force Majeure that results in a partial or full Outage of that Unit, Seller shall either schedule or cause the Unit’s Scheduling Coordinator to schedule with, or make available to, the CAISO each Unit’s Designated RA Capacity in compliance with the Tariff, and shall perform all, or cause the Unit’s Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the sale of Designated RA Capacity hereunder. Buyer shall have no liability for the failure of Seller or the failure of any Unit’s Scheduling Coordinator, owner, or operator to comply with such Tariff provisions, including any penalties or fines imposed on Seller or the Unit’s Scheduling Coordinator, owner, or operator for such noncompliance.

6. **RESERVED**

7. **OTHER BUYER AND SELLER COVENANTS**

(a) Buyer and Seller shall, throughout the Delivery Period, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer’s right to the use of the Contract Quantity for the sole benefit of Buyer’s RAR, LAR and/or FCR, as applicable. Such commercially reasonable actions (neither Party shall be required to spend more than $10,000 in total under the Agreement in support of such actions) shall include, without limitation:

(b) Cooperating with and providing, and in the case of Seller causing each Unit’s Scheduling Coordinator, owner, or operator to cooperate with and provide requested supporting documentation to the CAISO, the CPUC, or any other Governmental Body responsible for administering RAR, LAR and/or FCR under Applicable Laws, to certify or qualify the Contract Quantity as RA Capacity and Designated RA Capacity. Such actions shall include, without limitation, providing information requested by the CAISO, the CPUC, or by an LRA having jurisdiction, to demonstrate for each month of the Delivery Period the ability to deliver the Contract Quantity from each Unit to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, and providing information requested by the CPUC, the CAISO or other Governmental Body having jurisdiction to administer RAR, LAR or FCR to demonstrate that the Contract Quantity can be delivered to the CAISO Controlled Grid, pursuant to “deliverability” standards established by the CAISO, or other Governmental Body having jurisdiction to administer RAR, LAR and/or FCR; and

(c) Negotiating in good faith to make necessary amendments, if any, to this Confirmation to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, CAISO, FERC, or other Governmental Body having jurisdiction to administer RAR, LAR and FCR, so as to maintain the purpose of the benefits of the bargain struck by the Parties on the Confirmation Effective Date.

7.2 **Seller represents, warrants and covenants to Buyer that, throughout the Delivery Period:**

(a) Seller owns or has the exclusive right to the RA Capacity sold under this Confirmation from each Unit, and shall furnish Buyer, CAISO, CPUC or other jurisdictional LRA, or other Governmental Body with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;
(b) No portion of the Contract Quantity has been committed by Seller to any third party in order to satisfy RAR, LAR, FCR or such analogous capacity obligations in CAISO markets, other than pursuant to an RMR Agreement between the CAISO and either Seller or the Unit's owner or operator;

(c) No portion of the Contract Quantity has been committed by Seller in order to satisfy RAR, LAR, FCR, or analogous capacity obligations in any non-CAISO market;

(d) Each Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, or is under the control of CAISO;

(e) The owner or operator of each Unit is obligated to maintain and operate each Unit using Good Utility Practice and, if applicable, General Order 167 as outlined by the CPUC in the Enforcement of Maintenance and Operation Standards for Electric Generating Facilities Adopted May 6, 2004, and is obligated to abide by all Applicable Laws in operating such Unit; provided, that the owner or operator of any Unit is not required to undertake capital improvements, facility enhancements, or the construction of new facilities;

(f) The owner or operator of each Unit is obligated to comply with Applicable Laws, including the Tariff, relating to RA Capacity and, as applicable, RAR, LAR and/or FCR;

(g) If Seller is the owner of any Unit, the respective cumulative sums of LAR Attributes, RAR Attributes, and FCR Attributes that Seller has sold, assigned or transferred for any Unit does not exceed that Unit's RA Capacity;

(h) With respect to the RA Capacity provided under this Confirmation, Seller shall, and each Unit's SC is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, and RAR, LAR and FCR;

(i) Seller has notified the SC of each Unit that Seller has transferred the Designated RA Capacity to Buyer, and the SC is obligated to deliver the Supply Plans in accordance with the Tariff;

(j) Seller has notified the SC of each Unit that Seller is obligated to cause each Unit's SC to provide to the Buyer, at least five (5) Business Days before the relevant deadline for each RAR Showing, LAR Showing, and/or FCR Showing, as applicable, the Designated RA Capacity of each Unit that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and

(k) Seller has notified each Unit's SC that Buyer is entitled to the revenues set forth in Section 4.10 of this Confirmation, and such SC is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

8. CONFIDENTIALITY

Notwithstanding Section 10.11 of the Master Agreement, the Parties agree that Buyer may disclose the Designated RA Capacity under this Transaction to any Governmental Body, the CPUC, the CAISO or any LRA having jurisdiction in order to support its LAR Showings, RAR Showings, and/or FCR Showings, as applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the SC of each Unit in order for such SC to timely submit accurate Supply Plans.
9. **BUYER’S RE-SALE OF PRODUCT**

Buyer may re-sell all or a portion of the Product hereunder.

10. **[MARKET BASED RATE AUTHORITY]**

Seller agrees, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, to, upon request of Buyer, submit a letter of concurrence in support of any affirmative statement by Buyer that this contractual arrangement does not transfer “ownership or control of generation capacity” from Seller to Buyer as the term “ownership or control of generation capacity” is used in 18 CFR Section 35.42. Seller also agrees that it will not, in filings, if any, made subject to Order Nos. 652 and 697, claim that this contractual arrangement conveys ownership or control of generation capacity from Seller to Buyer.

11. **COLLATERAL REQUIREMENTS**

Performance Assurance shall not be required from either Party in connection with this Transaction.

**ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE**

Calpine Energy Services, L.P.  
Silicon Valley Clean Energy Authority

By:  
By: __________________________
Name: Andrew Novotny  
Name: __________________________
Title: Vice President  
Title: __________________________

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Staff Report – Item 1g

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1g: Adopt Resolution Amending the Operating Rules and Regulations to Reduce the Membership of the Executive Committee from Six Members to Five Members

Date: 4/11/2018

RECOMMENDATION
Staff recommends that the Board adopt Resolution 2018-05 amending the SVCE Operating Rules and Regulations to reduce the membership of the Executive Committee from six members to five members.

EXECUTIVE COMMITTEE RECOMMENDATION
This item was discussed at the July 25, 2017 Executive Committee meeting; members were in consensus to approve the change in the number of members and present to the Board for approval at the August Board meeting.

BACKGROUND
At the August 9, 2017 Board of Directors meeting, the Board approved reducing the membership of the Executive Committee to five Board members.

The Operating Rules and Regulations (ORR) Article VI “Amendments” state that a proposed amendment shall not be finally acted upon unless each member of the Board has received written notice of the amendment at least 10 days prior to the date of the meeting at which final action on the amendment is to be taken; this notice was sent via email on March 30.

ANALYSIS & DISCUSSION
Adopting the proposed resolution will procedurally finalize the approval of the amendment to the ORR to reflect previous discussions of the Board to appoint five members to the Executive Committee as opposed to six.

STRATEGIC PLAN
Not applicable.

ALTERNATIVE
If the Board would prefer to have six members serve on the Executive Committee, a sixth member would need to be appointed by the group.

FISCAL IMPACT
None.

ATTACHMENT
1. Resolution 2018-05, Amending the Operating Rules and Regulations to Reduce the Membership of the Executive Committee from Six Members to Five Members
RESOLUTION NO. 2018-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AMENDING THE OPERATING RULES AND REGULATIONS TO REDUCE THE MEMBERSHIP OF THE EXECUTIVE COMMITTEE FROM SIX MEMBERS TO FIVE MEMBERS

WHEREAS, the Silicon Valley Clean Energy Authority ("Authority") was formed on March 31, 2016 pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Santa Clara County; and

WHEREAS, Section 2.5.11 of the Joint Powers Agreement provides for adoption by the Board of Directors of Operating Rules and Regulations; and

WHEREAS, the Board of Directors adopted Resolution No. 2016-04 on June 8, 2016 approving the initial Operating Rules and Regulations for the Authority; and

WHEREAS, the Operating Rules and Regulations currently provide that there shall be an Executive Committee consisting of six Board members; and

WHEREAS, the Board of Directors at its August 9, 2017 meeting approved reducing the membership of the Executive Committee to five Board members.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. Section 2 of Article IV of the Operating Rules and Regulations is hereby amended to read:

Section 2. Executive Committee. There shall be an Executive Committee consisting of five Board members. The duties of the Executive Committee shall be to review and provide advice to the Chief Executive Officer and the entire Board on policy, operational and organizational matters and perform such other responsibilities, tasks or activities as delegated to it by the Board.

ADOPTED AND APPROVED this 11th day of April, 2018.

Chair

ATTEST:

Clerk
Staff Report – Item 2

To: Silicon Valley Clean Energy Board of Directors
From: Girish Balachandran, CEO

Item 2: CEO 30-day Organization Assessment, Priorities and Adopt Resolution Amending the Organization Chart, Job Classifications, and Salary Schedule

Date: 4/11/2018

RECOMMENDATION
Staff recommends that the Board approve Resolution 2018-06 amending the SVCE organizational chart, job classifications and salary schedule.

EXECUTIVE COMMITTEE RECOMMENDATION
At the March 27, 2018 meeting, the Executive Committee voted unanimously, with Director Smith abstaining due to her arrival at the end of the discussion related to this item, to recommend this report.

BACKGROUND
Within a few months after operations, SVCE froze any new hiring until the transition to a new Chief Executive Officer was complete. The hiring freeze resulted in the Agency operating well below the budgeted staffing level for the past eight months.

ANALYSIS & DISCUSSION
With the new CEO on board for a little over a month, there are resources needed by the Agency in the near-term.

30-Day Assessment
The Agency has been operational for nearly one-year and is in stable financial condition. The Mission is well defined and supported by both the Board of Directors and staff. The Strategic Plan is sound and provides a road map that positions the Agency well for the near and long-term.

Power Supply is the Agency’s largest expense. The Director of Power Resources position was filled in mid-March with an internal candidate, Dennis Dyc-O’Neal. A job offer was extended and accepted for the Manager of Power Contracts and Compliance with an expected start date of June 4th. The Power Resource Planning and Programs Analyst position was filled on April 2nd. The Department’s near-term staffing needs have been completed.

The largest threat to all Community Choice Aggregators (CCAs) is from the Regulatory and Legislative area. Staff recommends resources in this area beginning with the process of filling the Associate Legislative Analyst position and with the addition of one Senior Regulatory Analyst position. This would result in three positions in the Regulatory/Legislative Department to not only protect SVCE but assist all CCAs by providing support and resources to the CalCCA Organization.
Priorities
As SVCE completes the bulk of its customer acquisition phase with the inclusion of the City of Milpitas, formulating and implementing de-carbonization and grid innovation programs is the priority that requires additional resources. SVCE’s approach to de-carbonization and grid innovation programs is to represent the area we serve by being bold and innovative with an overall goal of “Bending the Carbon Curve.”

SVCE’s mission statement is, “Reduce dependence on fossil fuels by providing carbon free, affordable and reliable energy and innovative programs for the SVCE community.”

SVCE has reduced dependence on fossil fuels and accelerated the bending of the carbon curve via offering carbon-free electricity to all its customers. And, for the long-term, through the 2017 Renewables Request for Offer (RFO), along with Monterey Bay Community Power (MBCP), we are expected to enter into solar, wind, and battery storage contracts up to 20 years and a notional value of approximately one-billion dollars.

SVCE is offering base generation rates at 6% below Pacific Gas & Electric (PG&E), therefore meeting our goal of being affordable. Future initiatives will continue to balance affordability, reliability, and innovation.

The remaining major sources of carbon in the SVCE service area are from the use of gasoline/diesel (mobility/transportation) and natural gas (built environment). Being in Silicon Valley, we have the potential to prototype novel and disruptive programs that would move the needle even more in a variety of dimensions. To deliver on that goal, SVCE does require staffing resources. Staff recommends the addition of a Director of Decarbonization and Grid Innovation Programs position reporting directly to the CEO. This recommendation is consistent with the current staffing of other large operating CCAs. For the near-term, two other positions would be allocated to this Department but those positions will be defined by the Director and brought to the Board later in the year.

Culture and Short-Term Staffing Plan
SVCE is a lean agency with low fixed costs which provides the flexibility and nimbleness to compete. The nature of the rapidly changing business requires employees to wear multiple hats. To remain effective, the culture at SVCE includes a matrix approach to staffing with the expectation that all employees will support and receive support from all areas of SVCE. Success in our mission will require each department to work closely with each other and with the community.

The proposed changes do not change the headcount approved by the Board of Directors in the current fiscal year budget. In the mid-to long-term, further changes to staffing may be proposed, depending on Board priorities and changing business needs. Some of these staffing changes would be accompanied by a reduction in consultant and contractor costs.

Based upon the current assessment and priorities, staff recommends the following changes to SVCE’s Table of Organization:

Defer/Eliminate
1. General Counsel & Director of Government Affairs (1)
2. Finance Manager (1)
3. Administrative Analyst – HR (1)
4. Power Resource Planning and Programs Analyst (1)

Reclassifications
The following position title changes are recommended to better represent the work being performed and there is no fiscal impact as a result of these changes:
1. Director of Marketing & Public Affairs to Director of Customer Care
2. Administrative Analyst to IT Specialist
3. Manager of Legislative & Regulatory Affairs to Manager of Legislative & Regulatory Effectiveness
4. Power Contracts & Compliance Specialist to Power Contracts & Compliance Manager
5. Power Resource Planning and Programs Analyst to Power Settlements and Compliance Analyst
6. Director of Administration and Finance to Director of Finance and Administration

Additions
1. Director of Decarbonization & Grid Innovation Programs (1)
2. Sr. Regulatory Analyst (1)
3. Associate Legislative Analyst (1)
4. “To Be Determined” positions in the Decarbonization and Grid Innovation Programs Department (2)

The following is the Proposed Table of Organization for FY 2017-18 (new positions highlighted in yellow):
STRATEGIC PLAN
These changes support Goal #5 (Work with the community to achieve energy and transportation GHG reductions of 30% from the 2015 baseline, by 2021) and Goal #8 (Engage regulators and legislators to promote least-cost carbon neutrality while maintaining electric grid reliability.)

ALTERNATIVE
The alternative considered by Staff is no change to the current table of organization. This would not be the recommended action for SVCE to achieve “Bending of the Carbon Curve.”

FISCAL IMPACT
There is no fiscal impact with the Proposed Organizational Chart as the addition of three positions (plus an additional two positions which will be defined at a later date) will be offset by the deferral or elimination of four positions currently in the Table of Organization. The headcount will remain the same, at 21, as per the Board approved FY 2017-18 Operating Budget.

ATTACHMENTS
1. Resolution 2018-06, Amending the Organization Chart, Job Classifications and Salary Schedule
2. Job Descriptions for proposed positions of Director of Decarbonization and Grid Innovation Programs, Senior Regulatory Analyst, and Associate Legislative Analyst
RESOLUTION NO. 2018-06

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AMENDING THE ORGANIZATION CHART, JOB CLASSIFICATIONS AND SALARY SCHEDULE

WHEREAS, the Silicon Valley Clean Energy Authority (“Authority”) was formed on March 31, 2016 pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Santa Clara County; and

WHEREAS, under Section 2.5.2 of the Joint Powers Agreement creating the Authority, the Authority has the power to employ agents and employees; and

WHEREAS, the Board of Directors adopted Resolution No. 2016-06 on August 10, 2016 establishing an Organization Chart for the Authority and salary ranges for the established positions; and

WHEREAS, the Board of Directors adopted Resolution No. 2017-07 on June 14, 2017 amending the adopted Organization Chart to delete one Community Outreach Specialist and add one additional Account Services Representative; and

WHEREAS, the Board of Directors adopted Resolution No. 2017-10 on December 13, 2017 amending the adopted Organization Chart to add the position of Manager of Regulatory & Legislative Affairs, remove the position of Regulatory/Legislative Analyst, and modify the salary ranges for all positions; and

WHEREAS, to meet the needs of the Authority and to better represent the work being performed, the Chief Executive Officer has recommended that the Board amend the adopted Organization Chart and schedule of job classification titles and salary ranges.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The Authority’s schedule of job classification titles and salary ranges is amended to add new positions and salary ranges, modify existing position titles, and remove existing positions, as shown below. The following schedule of job classification titles and salary ranges shall replace and supersede the schedule shown in Resolution 2017-10:

<table>
<thead>
<tr>
<th>Title</th>
<th>Minimum Salary (Annual $)</th>
<th>Maximum Salary (Annual $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Representative I</td>
<td>64,890</td>
<td>101,970</td>
</tr>
<tr>
<td>Account Representative II</td>
<td>77,868</td>
<td>122,364</td>
</tr>
<tr>
<td>Account Services Manager</td>
<td>103,824</td>
<td>163,152</td>
</tr>
<tr>
<td>Administrative Analyst</td>
<td>77,868</td>
<td>122,364</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>51,912</td>
<td>81,576</td>
</tr>
<tr>
<td>Title</td>
<td>Minimum Salary (Annual $)</td>
<td>Maximum Salary (Annual $)</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Associate Legislative Analyst</td>
<td>67,053</td>
<td>105,369</td>
</tr>
<tr>
<td>Board Clerk / Executive Assistant</td>
<td>95,172</td>
<td>149,556</td>
</tr>
<tr>
<td>Community Outreach Manager</td>
<td>103,824</td>
<td>163,152</td>
</tr>
<tr>
<td>Community Outreach Specialist</td>
<td>56,238</td>
<td>88,374</td>
</tr>
<tr>
<td>Director of Customer Care</td>
<td>138,432</td>
<td>217,536</td>
</tr>
<tr>
<td>Director of Decarbonization and Grid</td>
<td>122,802</td>
<td>189,546</td>
</tr>
<tr>
<td>Innovation Programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director of Finance &amp; Administration</td>
<td>138,432</td>
<td>217,536</td>
</tr>
<tr>
<td>Director of Power Resources</td>
<td>164,388</td>
<td>258,324</td>
</tr>
<tr>
<td>IT Specialist</td>
<td>77,868</td>
<td>122,364</td>
</tr>
<tr>
<td>Manager of Regulatory &amp; Legislative</td>
<td>115,824</td>
<td>175,152</td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Contracts &amp; Compliance Manager</td>
<td>129,780</td>
<td>203,940</td>
</tr>
<tr>
<td>Power Settlements &amp; Compliance Analyst</td>
<td>95,172</td>
<td>149,556</td>
</tr>
<tr>
<td>Senior Regulatory Analyst</td>
<td>90,846</td>
<td>142,758</td>
</tr>
</tbody>
</table>

**Section 2.** The organization of positions shall be as shown in Attachment 1: SVCEA Organization Chart. This new Organization Chart shall replace and supersede the Organization Chart adopted by Resolution 2017-10.

**Section 3.** The Chief Executive Officer shall create and maintain as needed job descriptions for each classification.

**Section 4.** The Chief Executive Officer is authorized to initiate recruitments and hire for all new positions.

ADOPTED AND APPROVED this 11th day of April, 2018.

________________________________________
Chair

ATTEST:

________________________________________
Clerk
Attachment 1: SVCEA Organization Chart
SVCE Organization Chart
JOB DESCRIPTION
DIRECTOR OF DECARBONIZATION & GRID INNOVATION PROGRAMS

SALARY RANGE: $122,802 - $189,546

SUMMARY DESCRIPTION
The Director of Decarbonization and Grid Innovation Programs works under the general direction of the Chief Executive Officer and collaborates closely with Directors and Managers to plans and design a platform and portfolio of programs to achieve SVCE goals.

The focus areas of the program portfolio include mobility, the built environment and grid integration and innovation. In general, built environment programs will catalyze efficient electrification and reimagine energy use in the built environment. In general, mobility programs will reduce emissions, electrify and automate personal and commercial transport. In general, grid integration & innovation programs will enable demand-side flexibility for achieving high-penetration renewables.

SVCE is in a unique position to lead in developing programs that will positively impact customers in its member jurisdiction and have an impact beyond its borders. The Director should plan and design programs that amplifies and multiplies value. The Director will seek out and leverage partnerships with key Silicon Valley stakeholders such as academia, start-ups, high-tech, students and the community. Developing platforms for innovation, proofs-of-concept and prototypes will be key to moving the needle in decarbonization and grid innovation within member territories and influence change throughout the state and country.

Program planning and design will dovetail with program implementation tactics that will be led by the Customer Care division. Program planning and design will dovetail with SVCE’s Integrated Resource Plan and expand and strengthen the connection between generation and load. The Director will work closely with the Directors of Customer Care and Power Supply, and the Manager of Legislative and Regulatory Effectiveness to plan and design these programs. Program planning and design will require integrating input from these groups and external stakeholders throughout the design cycle. Working in a public agency with limited staff and a matrix management structure, the Director will excel at seeking out and integrating input and ideas from a variety of internal and external stakeholders.

As a new agency, the development of a high-level blueprint or roadmap is a key immediate task that will serve as a framework to recommend specific programs in the short-term and long-term. In the mid-term (after 12-18 months), subsequent to the development of a roadmap and designing and implementing programs, the Director will also be involved in developing sophisticated data analytics dashboards and visualizations that support programs and overall business goals.
The Director should have a strong familiarity of the Legislative and Regulatory landscape driving California’s environmental goals and knowledge of PG&E programs and plans in order to partner with PG&E at times, avoid duplication and fill in gaps in programs, for the overall benefit of customers. The Director should be familiar with the design and deployment of managed EV charging infrastructure, general demand response and distributed energy resources, electrification initiatives and programs, standard contracts or rates to promote local renewable energy.

The Director will hire and manage staff, consultants, and contractors, and ensure progress towards SVCE’s goals of reduced greenhouse gas emissions, energy cost stability, and increased localization of resources. Program work includes close collaboration on markets with the California ISO, CEC, CARB, BAAQMD, PG&E, municipal utilities and other CCAs.

The Director will makes written and oral presentations frequently, provide training and workshops to community, legislative and professional groups, the Board of Directors, and SVCE staff.

The position requires strong skills in contract management, public engagement, technical and financial aspects of electric energy use, and political work to form partnerships and secure funding.

**SUPERVISION RECEIVED AND EXERCISED**

This position reports directly to the Chief Executive Officer. Significant management of Program staff, consultants and contractors.

**ESSENTIAL FUNCTIONS**

- Work with staff, committees and the SVCE Board of Directors to set the strategic direction for SVCE Programs.
- Manage Integrated Resource Plan process in coordination with the Director of Power Resources.
- Support Director of Customer Care in program implementation
- Form partnerships with local, state and federal agencies, national laboratories, universities, businesses, start-ups, and non-profits to create opportunities for program funding, new program markets and more effective implementation.
- Oversee the funding applications for CPUC, CEC, BAAQMD, DOE, CARB, and other sources of program grants and financing.
- Work with staff from member jurisdictions to support local climate action plans
- Hire and manage staff, consultants, and contractors to carry out program activities, including evaluating and reporting results.
- Develop and manage a departmental budget.
• Evaluate opportunities and prioritize program work. Have the ability to be selective of program ideas, set a clear path, and avoid distractions is essential, while remaining open to helpful new input.
• Provides input into SVCE’s overall goal setting relating to greenhouse gas emissions and financial strategy.
• Participates in Director Meetings to support cross-departmental collaboration and generally to facilitate the improvement of SVCE’s operations.
• Writes staff reports and presents at scheduled Board and Committee meetings.
• Analyzes broad variety of data to assess program options, performance, or otherwise direct program activity.
• Performs related duties and responsibilities as required.

KNOWLEDGE, SKILLS, AND ABILITIES

Knowledge of:
• Strong technical and policy background related to decarbonization and electrification.
• Knowledge and proficiency in the basic science of greenhouse gas emissions, mitigation, and adaptation.
• Knowledge of successful customer programs
• Regulatory and legislative activities relating to decarbonization, distributed energy resources, demand response
• Familiarity with policies and procedures at the CPUC, CEC, CARB, BAAQMD and the California ISO related to decarbonization, electrification, building codes, distributed energy resources, rates and customer programs
• Building end uses, retrofit programs and commissioning.
• Building codes, electric appliances, electric vehicles
• Principles of electricity generation, transmission, distribution and infrastructure.
• Electric distribution system and grid edge technologies
• Data analytics and ability to work with large data sets to develop insights, dashboards, visualizations to support overall goals
• Budgets and financial planning.
• Construction trade and local government permitting processes.
• Practice of electric provider energy efficiency programs, financing and evaluation.
• Senior level ability in written reports and public speaking.
• Mission, goals, policies, and purposes of SVCE

Ability to:
• Manage staff in a positive environment, where critical feedback is provided in constructive ways.
• Effectively manage consultant contracts, providing adequate direction and ensuring communication is clear and value is received.
• Establish effective and cooperative working relationships with SVCE staff, customers, local businesses, community groups, interested stakeholders, the Board of Directors,
and elected officials of municipalities, agencies, special districts, and other related agencies.

- Work independently, using good judgement and initiative in carrying out assignments; set goals and priorities and carry out multiple assignments concurrently; think strategically to mitigate political and regulatory impediments to program development.
- Review, monitor, and interpret engineering, scientific, and environmental reports; prepare clear and accurate reports.
- Communicate clearly and concisely, both orally and in writing; speak effectively in public to large groups.
- Provide technical assistance and training to SVCE customers and constituents.
- Set realistic goals and achieve them.
- Be a part of a team of committed people.

REQUIRED QUALIFICATIONS
Experience and Training Guidelines: Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

EDUCATION. A Bachelor’s Degree from an accredited university of college in engineering, economics, mathematics, statistics, business administration or a related field. A Master’s Degree in engineering, economics, mathematics, statistics, business administration or a related field can substitute for up to one year of the required experience. A Doctoral Degree in engineering, economics, mathematics, statistics, business administration or a related field can substitute for up to three years of the required experience.

EXPERIENCE. Eight (8) years of increasingly responsible experience with an electric utility, a public agency and/or private company developing policy, strategy, and program planning and design related to decarbonization, electrification, mobility, energy efficiency, including management of staff.

LICENSE. Possession of a valid Class C California driver’s license and a satisfactory driving record at the time of hire.

PHYSICAL AND WORKING CONDITIONS
The physical and mental demands described here are representative of those that must Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

ENVIRONMENT. Work is performed in a typical office setting with exposure to computer screens and at public events (fairs, meeting rooms, farmers’ markets, etc.) with moderate noise and will require some evening and weekend work. The noise level in the work environment is usually typical of an office environment and public events.
PHYSICAL. While performing the duties of this class, employees are regularly required to sit, walk, and stand; talk or hear, in person and by telephone; reach with hands and arms. Employees are occasionally required to walk, and stand for prolonged periods; stoop, bend, kneel and twist; and may lift up to 20 pounds. Employees must be able to communicate in person, in writing, and by telephone with Board members, management, co-workers, vendors, consultants, and with the public in face-to-face, one-to-one, and group settings.

VISION. See in the normal visual range with or without correction; vision sufficient to read computer screens and printed documents; and, operate assigned equipment.

HEARING. Hear in the normal audio range with or without correction.

-----SVCE IS AN EQUAL OPPORTUNITY EMPLOYER-----
SUMMARY DESCRIPTION
The Senior Regulatory Analyst (“Analyst”) works under general direction from the Manager of Regulatory and Legislative Effectiveness and has responsibility for a wide range of Silicon Valley Clean Energy (SVCE) regulatory activities, with particular emphasis on representation of SVCE’s interests at the California Public Utilities Commission (CPUC). The Regulatory/Legislative Analyst evaluates proposed regulatory policies to assess the impact on SVCE, develops SVCE positions on issues, and develops analyses, written reports, and presentation materials to support SVCE’s position. The Regulatory/Legislative Analyst may be assigned to assist in the work of other SVCE teams, and in that role may represent SVCE in administrative proceedings before applicable regulatory agencies. This position performs related work and other analytic tasks for SVCE as required.

The Analyst works independently to perform assignments under the general direction of the Manager of Regulatory and Legislative Effectiveness. The Analyst participates as an SVCE representative before various regulatory agencies on matters affecting community choice aggregators (CCAs) and other electric utilities, including in ratemaking proceedings, rulemakings, and proposed rules and regulations. The Analyst is tasked with reviewing and drafting comments and briefs; providing technical and/or analytic input on regulatory matters; preparation of data requests, testimony, and hearing exhibits; and participation in administrative hearings.

SUPERVISION RECEIVED AND EXERCISED
This position reports directly to the Manager of Regulatory & Legislative Effectiveness and may have oversight responsibility for external contractors depending on the project.

ESSENTIAL FUNCTIONS
- Develop high-level policy and responses for key regulatory issues affecting SVCE, including strategy and prioritization of regulatory and legislative action for Manager of Regulatory and Legislative Effectiveness and CEO consideration.
- Represent SVCE in regulatory proceedings through preparation of data requests, written responses, position papers, analytical models, testimony, and exhibits.
- Track, review, analyze and summarize filings prepared by utilities and other entities that could impact SVCE and its customers.
- Track, analyze and interpret regulatory proposals and other policy issues with an eye toward impact on and response from SVCE.
- Under direction of the Manager of Regulatory and Legislative Effectiveness, work closely with technical experts and external regulatory counsel to develop effective and persuasive communications before the CPUC, California Energy Commission, California Air...
Resources Board, and any other legal or regulatory body as may be needed.

**KNOWLEDGE, SKILLS, AND ABILITIES**

*Knowledge of:*
- California electric utility regulatory issues, CPUC regulatory practices, protocols, and procedures.
- California utility rate design, electric resource planning, demand resource solutions and regulatory relations.
- California legislative process and protocols
- Communications portals and web-based resources for regulatory and legislative activity
- Depending upon the assignment, principles and practices in the areas of energy efficiency, energy resources and procurement, or other to be determined areas.

*Ability to:*
- Manage multiple priorities and quickly adapt to changing priorities in a fast-paced dynamic environment.
- Take responsibility and work independently, as well as coordinate team efforts within SVCE and the greater CCA community.
- Superior writing skills, especially related to regulatory filings, briefings, legislation, and related regulatory and legislative correspondence
- Orally communicate complex topics in easy to understand presentations before the Board, staff and other audiences
- Be thorough and detail-oriented.
- Work accurately and swiftly under pressure.
- Demonstrate patience, tact, and courtesy at all times

**REQUIRED QUALIFICATIONS**

*Experience and Training Guidelines:* Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

**EDUCATION.** A Bachelor’s Degree from an accredited university of college in economics, business administration, environmental science, public policy or a related field. A Master’s Degree in economics, business administration, environmental science, public policy or a related field can substitute for up to one year of the required experience

**EXPERIENCE.** Four (4) years of progressively responsible experience in legislative affairs at an electric utility, regulatory agency, or legislative office with emphasis on electric procurement issues, energy efficiency, energy market structure, or a closely related field.
LICENSE. Possession of a valid Class C California driver's license and a satisfactory driving record at the time of hire.

PHYSICAL AND WORKING CONDITIONS
The physical and mental demands described here are representative of those that must Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.

ENVIRONMENT. Work is performed in a typical office setting with exposure to computer screens and at public events (fairs, meeting rooms, farmers' markets, etc.) with moderate noise and will require some evening and weekend work. The noise level in the work environment is usually typical of an office environment and public events.

PHYSICAL. While performing the duties of this class, employees are regularly required to sit, walk, and stand; talk or hear, in person and by telephone; reach with hands and arms,. Employees are occasionally required to walk, and stand for prolonged periods; stoop, bend, kneel and twist; and may lift up to 20 pounds. Employees must be able to communicate in person, in writing, and by telephone with Board members, management, co-workers, vendors, consultants, and with the public in face-to-face, one-to-one, and group settings.

VISION. See in the normal visual range with or without correction; vision sufficient to read computer screens and printed documents; and, operate assigned equipment.

HEARING. Hear in the normal audio range with or without correction.

-----SVCE IS AN EQUAL OPPORTUNITY EMPLOYER-----
JOB DESCRIPTION
ASSOCIATE LEGISLATIVE ANALYST

SALARY RANGE: $67,053-105,369

SUMMARY DESCRIPTION
The Associate Legislative Analyst (“Analyst”) works under general direction from the Manager of Regulatory and Legislative Effectiveness and has responsibility for a wide range of Silicon Valley Clean Energy (SVCE) activities in the legislative sphere. The position evaluates bills for their potential impacts on SVCE; develops proposed bill amendments; conducts outreach to local, state, and federal legislators and their staff; builds and maintains coalitions with like-minded community stakeholder groups; and conducts outreach campaigns around key CCA-related bills. The Analyst may be assigned to assist in the work of other SVCE teams, and in that role may represent SVCE in administrative proceedings before applicable regulatory agencies. This position performs related work and other analytic tasks for SVCE as required.

The Analyst works independently to perform assignments under the general direction of the Manager of Regulatory and Legislative Effectiveness. The Analyst is responsible for growing and maintaining SVCE’s effectiveness on the legislative side of policymaking. This role can be roughly divided into two skill areas: bill analysis and stakeholder communication. On the analysis side, the Analyst will identify and evaluate bills that affect SVCE’s ratepayers and/or operations, and communicate these to SVCE leadership in a clear and timely fashion. This area also includes developing proposed amendments to bills that could be harmful to SVCE ratepayers, and participating in coordinated legislative activities through CalCCA or other organizations as appropriate. The communication side of the role is centered on raising awareness of SVCE’s legislative platform. The Analyst will be responsible for communicating SVCE’s legislative priorities to local, state, and federal legislators and their staff by organizing meetings, attending events, developing educational materials, etc. The Analyst will also be responsible for identifying and communicating with stakeholder groups within SVCE’s service territory whose legislative priorities align with SVCE’s. The Analyst will also be responsible for leading outreach campaigns related to specific, SVCE-relevant bills.

SUPERVISION RECEIVED AND EXERCISED
This position reports directly to the Manager of Regulatory and Legislative Effectiveness. Significant management of Program staff, consultants and contractors.

ESSENTIAL FUNCTIONS
• Develop high-level policy and responses for key legislative issues affecting SVCE, including strategy and prioritization of legislative action for Manager of Regulatory and Legislative Effectiveness and CEO consideration.
• Track, analyze, interpret, and summarize bills introduced in the California legislative that could impact SVCE and its customers.
• Represent SVCE in the legislative process through preparation of education materials for
policymakers, attendance at legislative events, organizing meetings with legislators and other relevant stakeholders, and other relevant activities

- Develop and maintain advocacy partnerships with stakeholder group in SVCE’s territory whose legislative platforms align with SVCE’s
- Under direction of the Manager of Regulatory and Legislative Effectiveness, work closely with technical experts and external regulatory counsel to develop effective and persuasive communications before the CA Legislature, and any other legal or regulatory body as may be needed.

**KNOWLEDGE, SKILLS, AND ABILITIES**

**Knowledge of:**

- California utility rate design, electric resource planning, demand resource solutions and regulatory relations.
- California legislative process and protocols.
- Communications portals and web-based resources for regulatory and legislative activity
- Campaign organizing and management
- Depending upon the assignment, principles and practices in the areas of energy efficiency, energy resources and procurement, or other to be determined areas

**Ability to:**

- Manage multiple priorities and quickly adapt to changing priorities in a fast paced dynamic environment.
- Take responsibility and work independently, as well as coordinate team efforts within SVCE and the greater CCA community.
- Superior writing skills, especially related to regulatory filings, briefings, legislation, and related regulatory and legislative correspondence
- Orally communicate complex topics in easy to understand presentations before the Board, staff, stakeholders and other audiences
- Be thorough and detail-oriented.
- Work accurately and swiftly under pressure.
- Demonstrate patience, tact, and courtesy at all times

**REQUIRED QUALIFICATIONS**

**Experience and Training Guidelines:** Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

**EDUCATION.** A Bachelor’s Degree from an accredited university of college in economics, business administration, environmental science, public policy or a related field.

**EXPERIENCE.** Two (2) years of progressively responsible experience in legislative affairs at an electric utility, regulatory agency, or legislative office with emphasis on electric procurement
issues, energy efficiency, energy market structure, or a closely related field.

**LICENSE.** Possession of a valid Class C California driver’s license and a satisfactory driving record at the time of hire.

**PHYSICAL AND WORKING CONDITIONS**
*The physical and mental demands described here are representative of those that must Reasonable accommodations may be made to enable individuals with disabilities to perform the essential job functions.*

**ENVIRONMENT.** Work is performed in a typical office setting with exposure to computer screens and at public events (fairs, meeting rooms, farmers’ markets, etc.) with moderate noise and will require some evening and weekend work. The noise level in the work environment is usually typical of an office environment and public events.

**PHYSICAL.** While performing the duties of this class, employees are regularly required to sit, walk, and stand; talk or hear, in person and by telephone; reach with hands and arms. Employees are occasionally required to walk, and stand for prolonged periods; stoop, bend, kneel and twist; and may lift up to 20 pounds. Employees must be able to communicate in person, in writing, and by telephone with Board members, management, co-workers, vendors, consultants, and with the public in face-to-face, one-to-one, and group settings.

**VISION.** See in the normal visual range with or without correction; vision sufficient to read computer screens and printed documents; and, operate assigned equipment.

**HEARING.** Hear in the normal audio range with or without correction.

-----SVCE IS AN EQUAL OPPORTUNITY EMPLOYER-----
Staff Report – Item 3

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 3: SVCE Board of Directors Workshop Series

Date: 4/11/2018

RECOMMENDATION
Staff recommends that the Board approve a series of bi-monthly informal workshops and presentations to be conducted before scheduled Board of Directors meetings. Additionally, Staff will review with the Board the effectiveness of these workshops after approximately six months or three workshops.

EXECUTIVE COMMITTEE RECOMMENDATION
Executive Committee members welcomed this initiative and recommended bringing it to the April Board meeting.

The Executive Committee also suggested the following for consideration by Staff in designing these workshops:
- Try out different days and times to see what works best for the entire Board
- Consider a daytime meeting for the second workshop
- Consider a lunch and learn format
- Provide information to the Board on other opportunities for learning, such as seminars at Stanford
- Consider providing learning memoranda to the Board with detailed information

BACKGROUND
The utility industry is changing fast, enabled by technology, customer expectation and legislation. Today’s electric utility is not recognizable to the consumer of few years back. Ubiquitous self-generation technologies with federal and state incentives, as well as tighter environmental regulations, have opened the market to new actors and participants, a market that was reserved for big utilities for a long time. Distributed Energy Resources increasingly play an important role in supply and demand of electricity, creating new business models that transform consumers to prosumers, as well as creating havoc and opportunities on the grid.

ANALYSIS & DISCUSSION
The workshops would be a way to empower the Board of Directors with more information and provide a venue to have a discussion about the multitude of issues facing SVCE as well as the utility industry. Staff proposes to design and execute a series of workshops/presentations timed just ahead of the regularly scheduled monthly Board meetings starting at 5:00 pm and going through 6:30 pm that would include dinner towards the end of the workshop. These workshops can be conducted by a combination of Staff, invited speakers or hired consultants as the topic warrants.

Staying current on all the issues in our industry is a challenge as it is always developing. Following is a non-comprehensive suggested list of topics that would be appropriate for these workshops (in no specific order):

- SVCE 101 - How an electron becomes a bill
STRATEGIC PLAN
SVCE’s Board-adopted Strategic Plan identifies building a high-performance team armed with the latest information and advances in technology and customer expectations.

ALTERNATIVE
Staff is open to suggestions regarding the timing and design of the workshop series.

FISCAL IMPACT
Staff time and possible consultant fees.
To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 4: CEO Report

Date: 4/11/2018

REPORT

SVCE Staff Update
Thomas "TJ" Messier joined our team as a Power Settlements & Compliance Analyst on April 2nd. TJ has a degree in Energy Management from Sonoma State University, and completed a power services internship with Sonoma Clean Power in 2017. TJ, as a member of the Power Resources team, will be supporting management of SVCE’s power supply portfolio.

Long-Term Joint RFO Update
SVCE staff, along with staff from Monterey Bay Community Power (MBCP), are in negotiations with three developers, simultaneously, to acquire long-term rights to the output of three projects. We are proceeding with negotiations around project configuration, and hope to conclude negotiations in May or June 2018.

BAAQMD Grant Opportunity
SVCE is leading a subgroup of the MAWG in development of an application for BAAQMD’s Climate Protection Grant Program focused on reducing GHGs from existing buildings. For this grant, the SVCE team is proposing a holistic, large-scale program focused on deploying heat pump water heaters in combination with electric service panel upgrades. Natural gas water heaters generate approximately 40% of emissions from SVCE’s residential buildings. The team is requesting a grant totaling $1 million over two years. The application is due at the end of April, with announcement of awards scheduled for June. If we are awarded a grant, staff expects to return to the Board with a proposal to match BAAQMD funds.

CEO Power Supply Agreements Executed
The following power supply agreements have been executed by the CEO, consistent with the authority delegated by the Board:


The agreement is attached.

CEO Presentations
- On April 13, I will be participating on the Mobility, Water and Energy Panel at the 7th Annual Silicon Valley Regional Forum
- On April 16, I will be speaking at the EUCI Integrated Resource Planning conference in Portland, Oregon. The topic is related to the future of IRP
Outreach to academia
- Along with the CEOs of two other CCAs, I am working on outreach to the academic community in Northern and Southern California

Legislative Day
- May 16 has been selected as a day for a few SVCE Board Members and staff travel to Sacramento to meet with key legislators and staff

ATTACHMENTS
1. Power Supply Agreement Executed: Pacific Gas & Electric RA Agreement for April 2018
2. Regulatory/Legislative Update, April 2018
3. Community Outreach Update, April 2018
4. Agenda Planning Document, May 2018 – October 2018
MASTER POWER PURCHASE AND SALE AGREEMENT
RESOURCE ADEQUACY CONFIRMATION LETTER
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY ("PARTY A")
AND
PACIFIC GAS AND ELECTRIC COMPANY ("PARTY B")

This confirmation letter ("Confirmation") confirms the Transaction between Party A and Party B, which becomes effective once fully executed by both parties (the "Confirmation Effective Date"), in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Appendix B of this Confirmation. This Transaction is governed by the Master Power Purchase and Sale Agreement between the Parties, effective as of October 25, 2017, together with the Cover Sheet, the Collateral Annex and Paragraph 10 to the Collateral Annex, and any other annexes thereto (collectively, as amended, restated, supplemented, or otherwise modified from time to time, the "Master Agreement"). The Master Agreement and this Confirmation are collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation, have the meanings specified for such terms in the Master Agreement or the Tariff (defined below), as applicable. Section references herein are to this Confirmation unless otherwise noted.

ARTICLE 1
TRANSACTION TERMS

Buyer: Party A

Seller: Party B

Product: The Product, including the Capacity Attributes of the Unit(s), Alternate Unit(s) or Shown Unit(s), is as defined in Appendix B. The Product does not include any right to the energy or ancillary services of the Unit(s), as outlined in Section 3.2(a).


Contract Quantity and Price: The Contract Quantity and Price for each day during the Delivery Period as listed in Appendix B.

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Firm RA Product

Seller's obligation to deliver the Contract Quantity of Product for each day included in the Delivery Period is firm and will not be excused for any reason.

2.2 Seller To Identify Shown Unit

PG&E Log Number: 33B230Q03
(a) Seller shall identify the Shown Unit(s) that meet the Product characteristics and Contract Quantity specified in Appendix B by providing Buyer with the specific Unit Information listed in Appendix C upon the Confirmation Effective Date for the corresponding Compliance Showings applicable to the relevant Showing Month. The Shown Unit should not have characteristics that would trigger the need for Buyer or Seller to file an Advice Letter to the CPUC. Seller’s notice under this Section 2.2(a) shall be deemed acceptable to and approved by Buyer upon receipt, unless Buyer, within three (3) Business Days of receipt of Seller’s notice notifies Seller of any objections Buyer has to the proposed Shown Unit. If Buyer timely objects, Seller must identify another Shown Unit within one Business Day.

(b) Once the Shown Unit designated by Seller is approved or deemed approved in accordance with Section 2.2, then any such Shown Unit will be automatically deemed a Unit for purposes of this Confirmation for that the affected Showing Month.

2.3 Seller To Provide Alternate Capacity

(a) If Seller desires to provide the Contract Quantity for any Showing Month during the Delivery Period from a different Unit other than the Shown Unit as designated in Section 2.2, then Seller may, at no additional cost to Buyer provide Buyer with Product from one or more Alternate Units in an amount such that the total amount of Product provided to Buyer from the Unit and Alternate Units for the Showing Month during the Delivery Period is not more or less than the Contract Quantity for the Delivery Period.

(b) If Seller desires to provide Product from an Alternate Unit under Section 2.3(a), Seller must notify Buyer of its intent to provide Product from an Alternate Unit and identify the proposed Alternate Unit meeting the Product characteristics specified in Appendix B no later than five (5) Business Days before the relevant deadlines for the submission of Compliance Showings related to the applicable Showing Month. Seller’s notice under this Section 2.3(b) shall be deemed acceptable to and approved by Buyer upon receipt, unless Buyer, within one Business Day of receipt of Seller’s notice and in writing, notifies Seller of any objections Buyer has to the proposed Alternate Unit. If Buyer timely objects, Seller must identify another Alternate Unit within one Business Day.

(c) Once the Buyer provides its approval of any proposed Alternate Unit designated by Seller in accordance with Section 2.3(b), then any such Alternate Unit will be automatically deemed a Unit for purposes of this Confirmation for that the affected Showing Month.

2.4 Delivery of Product
Seller shall provide Buyer with the Contract Quantity of Product for each day during the Delivery Period consistent with the following:

(i) Seller shall, on a timely basis with respect to each applicable Showing Month, cause each Unit’s SC to, approve all replacement capacity in the CAISO’s Customer Interface for Resource Adequacy system ("CIRA") no later than eleven (11) days before the first day of a Showing Month ("Replacement Showing Deadline"), in accordance with the Tariff to identify and confirm the Product provided to Buyer for each day of such Showing Month that is included in the Delivery Period so that the total amount of Product identified and confirmed for each such day of such Showing Month equals the Contract Quantity for such day of such Showing Month.

(ii) Seller will be deemed to have delivered the Product on each day to the extent that Buyer receives credit from CAISO for such day for Product identified and confirmed as replacement capacity in the CAISO’s CIRA system submitted for the Unit.

In accordance with Sections 2.2 and 2.3, Seller shall to the extent required by CAISO or the CPUC rules cause the information listed in Appendix C to be completed and included in all applicable Supply Plans and shall cause all Supply Plans to be filed in conformance with the requirements of the CPUC Filing Guide and the Tariff. In addition, if during the Delivery Period, there are changes to the information included in Appendix C, the Parties agree to communicate such changes to each other promptly.

2.5 Intentionally Omitted

2.6 Damages for Failure to Provide Capacity

If Seller fails to deliver to Buyer the Contract Quantity of Product for any day during the Delivery Period in accordance with Section 2.4 then with respect to each Showing Month, Seller shall pay to Buyer at the time set forth in Article Six of the Master Agreement, the following damages in lieu of damages specified in Section 4.1 of the Master Agreement:

(a) for each applicable day during the Showing Month included in the Delivery Period, the amount equal to (w) the monthly CAISO Resource Adequacy Availability Incentive Mechanism (RAAIM) Price divided by (x) the number of days included in the Showing Month, multiplied by (y) the amount of the Expected Contract Quantity not delivered by Seller on such day multiplied by (z) 1,000 kw/MW, minus
(b) for each applicable day during the Showing Month included in the Delivery
Period, the amount equal to (w) the applicable Contract Price divided by (x) the
number of days included in the Showing Month multiplied by (y) the amount of
Contract Quantity not delivered by Seller on such day, multiplied by (z) 1,000
kw/MW.

2.7 Indemnities for Failure to Deliver Contract Quantity

(a) Seller agrees to indemnify, defend and hold harmless Buyer from any penalties,
fines or costs assessed against Buyer by the CPUC, CAISO or any Governmental
Body having jurisdiction resulting from any of the following:

(i) Seller’s failure to deliver any portion of the Contract Quantity of Product
for any portion of the Delivery Period.

(ii) A Unit’s SC’s failure to timely or accurately approve all replacement
capacity in CAISO’s CIRA system that identify Buyer’s right to the
Contract Quantity purchased hereunder for each day of the Delivery
Period.

(iii) Any other failure by Seller to perform its obligations under this
Confirmation.

(b) With respect to the foregoing, the Parties shall use commercially reasonable
efforts to minimize such penalties, fines and costs; provided, that in no event shall
Buyer be required to use or change its utilization of its owned or controlled assets
or market positions to minimize these penalties, fines, and costs.

(c) If Seller fails to deliver any portion of the Contract Quantity of Product and such
failure results in CAISO Capacity Procurement Mechanism costs imposed on
Buyer due to an insufficient monthly Resource Adequacy plan, Seller agrees to
indemnify Buyer from these costs less any damages assessed under Section
2.6(a);

2.8 Buyer’s Re-Sale of Product

(a) Buyer may re-sell all or a portion of the Product purchased under this
Confirmation (“Resold Product”); provided that such re-sell right does not include
the ability to offer any portion of Product into the CSP. If Buyer re-sells Resold
Product, Seller agrees, and agrees to cause the Unit’s SC, to follow Buyer’s
instructions with respect to providing such Resold Product to subsequent
purchasers of such Resold Product to the extent such instructions are consistent
with Seller’s obligations under this Confirmation. Seller further agrees, and
agrees to cause the Unit’s SC, to take all commercially reasonable actions and

PG&E Log Number: 33B230C03
execute any and all documents or instruments reasonably necessary to allow such subsequent purchasers to use such Resold Product in a manner consistent with Buyer’s rights under this Confirmation. If Buyer incurs any liability to any purchaser of such Resold Product due to the failure of Seller or the Unit’s SC to comply with the terms of this Confirmation, then Seller shall be liable to Buyer for any liabilities Seller would have incurred under this Confirmation if Buyer had not resold the Product, including without limitation, pursuant to Sections 2.6 and 2.7.

(b) If Buyer exercises its right to re-sell the Resold Product, Buyer shall notify Seller in writing that such sale has occurred and provide Seller with the information described in Appendix D no later than two (2) Business Days before the deadline for the Compliance Showings applicable to the relevant Showing Month. Buyer shall notify Seller of any subsequent changes or further resale of the Resold Product, by providing Seller with written updates to the information in Appendix D in accordance with the deadlines described in this Section 2.8(b).

ARTICLE 3
PAYMENT

3.1 Monthly Payment

In accordance with the terms of Article Six of the Master Agreement, Buyer shall make a payment (a “Monthly Payment”) to Seller, within five (5) Business Days of the Confirmation Effective Date, as follows:

\[
\text{Monthly Payment} = Q \times P
\]

where:

\[
Q = \text{The quantity of Product to be delivered by Seller to Buyer pursuant to and consistent with Section 2.4 for the Showing Month}
\]

\[
P = \text{The Contract Price for the Showing Month, expressed in dollars per MW-day}
\]

The Monthly Payment calculation shall be rounded to two decimal places.

3.2 Allocation of Other Payments and Costs

(a) Seller is entitled to retain any revenues it may receive from, and shall pay all costs charged by, CAISO or any other third party with respect to the Unit for (i) start-up, shutdown, and minimum load costs, (ii) capacity revenue for ancillary services, (iii) energy sales, (iv) revenue for flexible ramping product, and (v) any revenues for black start or reactive power services. All Seller revenues described in this Section 3.2(a) and received by Buyer or a purchaser of Resold Product must be remitted to Seller and Buyer shall pay such revenues to Seller if received by Buyer or if a purchaser of Resold Product fails to remit those revenues to Seller. If Buyer fails to pay such revenues to Seller, Seller may recoup any
amounts owing to it for such revenues against any future amounts it may owe to Buyer pursuant to Article Six of the Master Agreement. Seller shall indemnify, defend and hold Buyer harmless from and against all liabilities, damages, claims, losses, costs or expenses (including, without limitation, attorneys' fees) incurred by or brought against Buyer in connection with Environmental Costs.

(b) Buyer is entitled to receive and retain all revenues associated with the Contract Quantity for each day during the Delivery Period (including any capacity and availability revenues from RMR Contracts for the Unit, Capacity Procurement Mechanism, or its successor; RUC Availability Payments, or its successor, but excluding payments described in Section 3.2(a)(i)-(v)). All Buyer revenues described in this Section 3.2(b) and received by Seller, or a Unit’s SC, owner, or operator, must be remitted to Buyer, and Seller shall pay such revenues to Buyer if received by Seller or if the Unit’s SC, owner, or operator fails to remit those revenues to Buyer. If Seller fails to pay such revenues to Buyer, Buyer may recoup any amounts owing to it for such revenues against any future amounts Buyer may owe to Seller pursuant to Article Six of the Master Agreement.

(c) In order to verify the accuracy of such revenues, Buyer has the right, at its sole expense and during normal working hours after reasonable prior notice, to hire an independent third party reasonably acceptable to Seller to audit any documents, records or data of Seller associated with the Contract Quantity and in accordance with Section 3.1 of this Confirmation and Article Six of the Master Agreement.

(d) If CAISO develops a centralized capacity market, Buyer will have exclusive rights to tell the Seller or the Unit’s SC to offer, bid, or otherwise submit the applicable Contract Quantity of Product for each day during the Delivery Period provided to Buyer pursuant to this Confirmation for re-sale in such market, and retain and receive any and all related revenues.

(e) Buyer and Seller agree that the Unit is subject to the terms of the Availability Standards, Non-Availability Charges, and Availability Incentive Payments as contemplated under Section 40.9 of the Tariff. Any Availability Incentive Payments or Non-Availability Charges are for the account, or are the responsibility of, the Seller, as applicable.

ARTICLE 4
CAISO OFFER REQUIREMENTS

Seller is responsible for, as applicable, scheduling or causing the applicable Unit’s SC to schedule with, or make available to, CAISO the Product delivered to Buyer for each day during the Delivery Period in compliance with the Tariff, and performing all, or causing the Unit’s SC, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the Product sold hereunder. Buyer is not liable for the failure of Seller or the failure of any Unit’s SC, owner, or operator to comply with such Tariff provisions or any penalties or fines.
imposed on Seller or the Unit’s SC (unless Seller is the SC), owner, or operator for such noncompliance.

ARTICLE 5
INTENTIONALLY OMITTED

ARTICLE 6
OTHER BUYER AND SELLER COVENANTS

6.1 Seller’s and Buyer’s Duty to Take Action to Allow the Utilization of the Product

Buyer and Seller shall, throughout the Delivery Period, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer’s right to the use of the Contract Quantity on each day during the Delivery Period for the sole benefit of Buyer or any applicable subsequent purchaser pursuant to Section 2.8. The Parties shall agree upon reasonable changes to this Confirmation necessary to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, CAISO or other Governmental Body having jurisdiction to administer Compliance Obligations.

6.2 Representations, Warranties and Covenants

(a) Each Party hereby represents and warrants to the other Party that throughout the Delivery Period such Party shall comply with Applicable Laws, including the Tariff, relating to the Product;

(b) Seller represents and warrants to Buyer throughout the Delivery Period that:

(i) no portion of the Contract Quantity for any day during the Delivery Period has been committed by Seller to any third party in order to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets, other than pursuant to an RMR contract between the CAISO and either Seller or a Unit’s owner or operator;

(ii) the Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, and is under the control of CAISO;

(iii) each Unit’s SC, owner and operator is obligated to comply with Applicable Laws, including the Tariff, relating to the Product;

(iv) if Seller is the owner of the Unit, the aggregation of all amounts of Capacity Attributes that Seller has sold, assigned or transferred for the Unit for each day included in the Delivery Period does not exceed the Unit NQC and, if applicable, the Unit EFC, for that Unit;

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(v) Seller has notified either the SC of the Unit or the entity from which Seller purchased the Product of the fact that Seller has transferred the Contract Quantity for each day of the Delivery Period to Buyer;

(c) Seller represents and warrants to Buyer as of the date of the relevant Compliance Showing, that Seller owns or has the exclusive right to the Product sold under this Confirmation from the Unit.

(d) Seller covenants as follows:

(i) Seller shall, upon request, furnish Buyer, CAISO, CPUC or other applicable Governmental Body evidence that its representation made in Section 6.2(e) is true and correct;

(ii) Seller shall not, and shall cause the Unit’s SC to not, offer any portion of the Contract Quantity for any day during the Delivery Period to CAISO as CPM Capacity. However, if CAISO designates any portion of the Contract Capacity as CPM Capacity, then Seller shall, and shall cause the Unit’s SC to promptly (and in any event within one (1) Business Day of the time Seller receives notification from CAISO) notify Buyer if CAISO designates any portion of the Contract Quantity for any day during the Delivery Period as CPM Capacity and, if CAISO makes such a designation, shall, and shall cause the Unit’s SC to not accept any such designation by CAISO unless and until Buyer has agreed to accept such designation.

ARTICLE 7
CONFIDENTIALITY

Notwithstanding Section 10.11 of the Master Agreement, the Parties may disclose the Contract Quantity or any applicable portion of the Contract Quantity for any day during the Delivery Period under this Transaction to any Governmental Body, the CPUC, CAISO and the Procurement Review Group in order to support its Compliance Showings, if applicable, and Seller may disclose the transfer of the Contract Quantity for each day during the Delivery Period under this Transaction to the SC of the Unit in order for such SC to timely submit accurate Supply Plans. Each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Body, CAISO, or SC to further disclose information disclosed pursuant to this Article. In addition, if Buyer resells all or any portion of the Contract Quantity for any day during the Delivery Period to another party, Buyer shall be permitted to disclose to the purchaser of the Resold Product all such information necessary to effect such resale transaction, other than the Contract Price.

ARTICLE 8
INTENTIONALLY OMITTED
ARTICLE 9
INTENTIONALLY OMITTED

ARTICLE 10
ADDITIONAL MASTER AGREEMENT AMENDMENTS

10.1 Declaration of an Early Termination Date and Calculation of Settlement Amounts

The Parties shall determine the Settlement Amount for this Transaction in accordance with Section 5.2 of the Master Agreement with the following further requirement:

"If Buyer is the Non-Defaulting Party and Buyer reasonably expects to incur or be liable for any penalties, fines or costs from the CPUC, CAISO, or any Governmental Body having jurisdiction, because Buyer or a purchaser of Resold Product is not able to include the applicable Contract Quantity in any applicable Compliance Showing due to Seller's Event of Default, then Buyer may, in good faith, estimate the amount of those penalties, fines or costs and include this estimate in its determination of the Termination Payment, subject to accounting to Seller when those penalties, fines or costs are finally ascertained. If this accounting establishes that Buyer's estimate exceeds the actual amount of penalties, fines or costs, Buyer shall promptly remit to Seller the excess amount. The rights and obligations with respect to determining and paying any Termination Payment, and any dispute resolution provisions with respect thereto, survive the termination of this Transaction and continue until after those penalties, fines or costs are finally ascertained."

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

Silicon Valley Clean Energy Authority

By: 
Name: Girish Balachandran
Title: CEO
Date: 3/14/18

Pacific Gas and Electric Company

By: 
Name: Stephanie Koida
Title: PR Analyst, Sr
Date: 3/14/18

PG&E Log Number: 33B230Q03
APPENDIX A
DEFINED TERMS

For purposes of this Confirmation, the following terms have the following meanings:

"Alternate Unit" means a generating unit designated by the Parties in accordance with Section 2.3 and which includes the Product characteristics, if any, as set forth in Appendix B.

"Advice Letter" means (1) an informal request by a CPUC jurisdictional entity for Commission approval, authorization, or other relief, including an informal request for approval to furnish service under rates, charges, terms or conditions other than those contained in the utility's tariffs then in effect, and (2) a compliance filing by a load-serving entity pursuant to Public Utilities Code Section 380.

"CAISO" means the California Independent System Operator Corporation or any successor entity performing substantially the same functions.

"Capacity Attributes" means, with respect to a generating unit, any and all of the following, in each case which are attributed to or associated with the generating unit at any time throughout the Delivery Period:

(a) Resource Adequacy Capacity attributes of the generating unit, as may be identified from time to time by the CPUC, CAISO, or other Governmental Body having jurisdiction, that can be counted toward RAR;

(b) Resource Adequacy Capacity attributes or other locational attributes of the generating unit related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Body having jurisdiction, associated with the physical location or point of electrical interconnection of the generating unit within the CAISO Control Area, that can be counted toward a Local RAR; and

(c) other current or future defined characteristics, certificates, tags, credits, or accounting constructs of the generating unit, howsoever entitled, including any accounting construct counted toward any Compliance Obligations;

provided that, notwithstanding the foregoing, Capacity Attributes exclude all certificates, tags, credits, or accounting constructs that are not counted toward any Compliance Obligations, howsoever entitled associated with the generating unit, as such characteristics, certificates, tags, credits, or accounting constructs are described in the CPUC Decisions and Tariff.

"Capacity Procurement Mechanism" has the meaning set forth in the Tariff.

"Competitive Solicitation Process" or "CSP" has the meaning set forth in the Tariff.

"Compliance Obligations" means the RAR and Local RAR, and if applicable FCR.
“Compliance Showings” means the (a) Local RAR compliance or advisory showings (or similar or successor showings), (b) RAR compliance or advisory showings (or similar or successor showings), and (c) if applicable, FCR compliance or advisory showings (or similar or successor showings), in each case, an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to CAISO) pursuant to the CPUC Decisions, to CAISO pursuant to the Tariff, or to any Governmental Body having jurisdiction.

“Confirmation” is defined in the introductory paragraph of this Confirmation.

“Confirmation Effective Date” is defined in the introductory paragraph of this Confirmation.

“Contract Price” means, for any period during the Delivery Period, the price, expressed in dollars per MW-day, specified for such period set forth in the Contract Price Table in Appendix B.

“Contract Quantity” means, with respect to any day during the Delivery Period, the amount of Product, expressed in MW, set forth in the Contract Quantity table in Appendix B for such day.

“CPUC Decisions” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-01-063, 15-06-063, 16-06-045, and any other existing or subsequent decisions, resolutions, or rulings related to resource adequacy, including, without limitation, the CPUC Filing Guide, in each case as may be amended from time to time by the CPUC.

“CPUC Filing Guide” means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSE’s to demonstrate compliance with the CPUC’s resource adequacy program.

“Delivery Period” is defined in Article 1.

“Emission Reduction Credits” or “ERC(s)” means emission reductions that have been authorized by a local air pollution control district pursuant to California Division 26 Air Resources; Health and Safety Code Sections 40709 and 40709.5, whereby such district has established a system by which all reductions in the emission of air contaminants that are to be used to offset certain future increases in the emission of air contaminants shall be banked prior to use to offset future increases in emissions.

“Environmental Costs” means costs incurred in connection with acquiring and maintaining all environmental permits and licenses for the Product, and the Product’s compliance with all applicable environmental laws, rules and regulations, including capital costs for pollution mitigation or installation of emissions control equipment required to permit or license the Product, all operating and maintenance costs for operation of pollution mitigation or control equipment, costs of permit maintenance fees and emission fees as applicable, and the costs of all Emission Reduction Credits or Marketable Emission Trading Credits (including any costs related to greenhouse gas emissions) required by any applicable environmental laws, rules, regulations, and permits to operate, and costs associated with the disposal and clean-up of hazardous
substances introduced to the site, and the decontamination or remediation, on or off the site, necessitated by the introduction of such hazardous substances on the site.

“FCR” means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by a Local Regulatory Authority or other Governmental Body having jurisdiction.

“FCR Attributes” means, with respect to a generating unit, any and all resource adequacy attributes of the generating unit, as may be identified from time to time by the CPUC, CAISO, or other Governmental Body having jurisdiction, that can be counted toward an LSE’s FCR.

“FCR Contract Quantity” means, with respect to a day included in the Delivery Period, the amount of FCR Attributes, expressed in MW, equal to the Contract Quantity for such day.

“Governmental Body” means any federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal.

“Local RAR” means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction. Local RAR may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.

“LSE” means “Load Serving Entity” as such term is defined in the Tariff.

“ Marketable Emission Trading Credits” means without limitation, emissions trading credits or units pursuant to the requirements of California Division 26 Air Resources; Health & Safety Code Section 39616 and Section 40440.2 for market based incentive programs such as the South Coast Air Quality Management District’s Regional Clean Air Incentives Market, also known as RECLAIM, and allowances of sulfur dioxide trading credits as required under Title IV of the Federal Clean Air Act (see 42 U.S.C. § 7651b(a) to (f)).

“Master Agreement” is defined in the introductory paragraph of this Confirmation.

“Monthly Payment” is defined in Section 3.1.

“MW” means megawatt.
“Procurement Review Group” has the meaning set forth in CPUC Decision D. 02-08-071.

“Product” is defined in Article 1.

“RAR” means the resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction.

“Resold Product” is defined in Section 2.6.

“Resource Adequacy Capacity” has the meaning set forth in the Tariff.

"RA Replacement Capacity” has the meaning set forth in the Tariff.

“Replacement Unit” means a Unit providing RA Replacement Capacity.

“Resource Adequacy Availability Incentive Mechanism Price” or “RAAIM Price” is as defined in the CAISO Tariff Section 40.9.6.1 or 60 percent of the Capacity Procurement Mechanism Soft-Cap Price. The Capacity Procurement Mechanism Soft-Cap Price is defined in the CAISO Tariff Section 43A.4.1.1.

“RMR Contract” means a Reliability Must-Run Contract as forth in the Tariff.

“Showing Month” means the calendar month that is the subject of the related Compliance Showing, as set forth in the CPUC Decisions and outlined in the Tariff. For illustrative purposes only, pursuant to the Tariff and CPUC Decisions in effect as of the Confirmation Effective Date, the monthly Compliance Showing made in June is for the Showing Month of August.

“Shown Unit” means a Unit specified by Seller in a Supply Plan, but not necessarily identified by Seller to Buyer on the Confirmation Effective Date.

“Substitute Capacity” means Capacity that substitutes for a Resource Adequacy Resource.

“Supply Plan” has the meaning set forth in the Tariff.

“Tariff” means the Fifth Replacement FERC Electric Tariff and the associated CAISO protocol provisions, including any current CAISO-published “Operating Procedures” and “Business Practice Manuals,” in each case as amended or supplemented from time to time.

“Unit” means the generation unit described in Appendix B and any Alternate Unit or Shown Unit.

“Unit EFC” means, with respect to a Unit on any date of determination, the lesser of the Effective Flexible Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.
"Unit NOC" means, with respect to a Unit on any date of determination, the lesser of Net Qualifying Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.
APPENDIX B
PRODUCT AND PRICE INFORMATION

**System RA Product Attributes:**

- ☑ RAR only (default)  □ RAR and FCR

**Product Characteristics:**

- CAISO Zone: __ North
- MCC Bucket: ___ N/A
- Flexible Category (if Flexible and System Product): ___ N/A

**Contract Quantity and Contract Price**

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<th>FCR Quantity, if any (MW)</th>
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### APPENDIX C
#### SUPPLY PLAN INFORMATION

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<th>Resource Capacity Contract Number</th>
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PG&E Log Number: 33B230Q03
APPENDIX D
SUBSEQUENT SALE INFORMATION

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PG&E Log Number: 33B230Q03
APPENDIX E
NOTICE INFORMATION

Name: Silicon Valley Clean Energy Authority, a California joint powers authority ("Buyer" or "SVCE")

All Notices:

Delivery/Mail Address:
Street: 333 W. El Camino Real, Suite 320
City: Sunnyvale, CA Zip: 94087
Attn: Dennis Dyc-O'Neal
Phone: (408) 721-5301
E-mail: dennis.dyconeal@svcleanenergy.org

Scheduling:
Attn: Brian Goldstein
Phone: (916)936-3303
E-mail: brian@pacificoea.com

Wire Transfer:
BNK: River City Bank
ACCT Title: SVCE
ABA: 12-222-333
ACCT: 0987654321
DUNS: 046565432
Federal Tax ID Number: 81-2158638

Credit and Collections:
Attn: SVCE Power Settlements
Phone: (408)721-5301
E-mail: SVCEpowersettlements@svcleanenergy.org

Contract Management
Attn: SVCE Power Settlements
Phone: (408)721-5301
E-mail: SVCEpowersettlements@svcleanenergy.org

With additional Notices of an Event of Default to
Contract Manager:
Attn: Girish Balachandran, CEO

Name: Pacific Gas and Electric Company, a California corporation
("Seller" or "PG&E")

All Notices:

Delivery Address:
77 Beale Street, Mail Code N12E
San Francisco, CA 94105-1702

Mail Address:
P.O. Box 770000, Mail Code N12E
San Francisco, CA 94177
Attn: Candice Chan (CWW9@pge.com)
Director, Contract Mgmt & Settlements
Phone: (415) 973-7780

Invoices and Payments:
Attn: SVCE Power Settlements
Phone: (408)721-5301
E-mail: SVCEpowersettlements@svcleanenergy.org

Outages:
Attn: Outage Coordinator
(ESMOutageCoordinator@pge.com;
RATransactionNotificationList@pge.com)
Phone: (415) 973-1721

Wire Transfer:
BNK: The Bank of NY Mellon
ACC Title: PG&E
ABA: 12-222-333
ACCT: 0987654321
DUNS: 046565432
Federal Tax ID Number: 94-0742640

Credit and Collections:
Attn: Credit Risk Management
PGERiskCredit@pge.com
Phone: (415) 972-6188

Contract Management
Attn: Elizabeth Motley (EMMG@pge.com)
Contract Management
Phone: (415) 973-2368

With additional Notices of an Event of Default to
Contract Manager:
Attn: Ted Yura (THY1@pge.com)

PG&E Log Number: 33B230Q03
Phone: (408) 721-5301x1001
E-mail: girish@svcleanenergy.org

Senior Manager, Contract Management
Phone: (415) 973-8660

Supply Plan and Replacement Request:
EPP-RAFilingsMailbox@pge.com

PG&E Log Number: 33B230Q03
APPENDIX F

FORM OF LETTER OF CREDIT

Issuing Bank Letterhead and Address

STANDBY LETTER OF CREDIT NO. XXXXXXXX

Date: [insert issue date]

Beneficiary: [Insert name and address of Beneficiary]  
Applicant: [Insert name and address of Applicant]

Letter of Credit Amount: [insert amount]

Expiry Date: [insert date that is one (1) year from offer date]

Ladies and Gentlemen:

By order of [Insert name of Applicant] ("Applicant"), we hereby issue in favor of [Insert name of Beneficiary] (the "Beneficiary") our irrevocable standby letter of credit No. [Insert number of letter of credit] ("Letter of Credit"), for the account of Applicant, for drawings up to but not to exceed the aggregate sum of U.S. $ [Insert amount in figures followed by (amount in words)] ("Letter of Credit Amount"). This Letter of Credit is available with [Insert name of issuing or paying bank, and the city and state in which it is located] by sight payment, at our offices located at the address stated below, effective immediately, and it will expire at our close of business on [Insert expiry date] (the "Expiry Date").

Funds under this Letter of Credit are available to the Beneficiary against presentation of the following documents:

1. Beneficiary’s signed and dated sight draft in the form of Exhibit A hereto, referencing this Letter of Credit No. [Insert number] and stating the amount of the demand; and

2. One of the following statements signed by an authorized representative or officer of Beneficiary:

   A. "The amount of the accompanying sight draft under Letter of Credit [Insert number of letter of credit] (the "Draft Amount") is owed to [Insert name of Beneficiary] by [Insert name of Beneficiary’s counterparty under the RA Confirmation] ("Counterparty") under Confirmation for Resource Adequacy Capacity Product for CAISO Resources dated [Insert date of the Confirmation] between [Insert name of Beneficiary] and Counterparty, which entitles [Insert name of Beneficiary] to draw the Draft Amount under Letter of Credit No. [Insert number];" or
B. "Letter of Credit No. [Insert number] will expire in thirty (30) days or less and [Insert name of Beneficiary's counterparty under the RA Confirmation] has not provided replacement security acceptable to [Insert name of Beneficiary]."

Special Conditions:

1. Partial and multiple drawings under this Letter of Credit are allowed;
2. All banking charges associated with this Letter of Credit are for the account of the Applicant;
3. This Letter of Credit is not transferable, and;
4. A drawing for an amount greater than the Letter of Credit Amount is allowed, however, payment shall not exceed the Letter of Credit Amount.
5. The Expiry Date of this Letter of Credit shall be automatically extended without amendment for a period of one year and on each successive Expiry Date, unless at least sixty (60) days before the then current Expiry Date, we notify you by registered mail or courier that we elect not to renew this Letter of Credit for such additional period.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation, on or before the Expiry Date (or after the Expiry Date as provided below), at [Insert bank's address for drawings].

All demands for payment shall be made either by presentation of originals or copies of documents, or by facsimile transmission of documents to [Insert fax number], Attention: [Insert name of bank's receiving department]. You may contact us at [Insert phone number] to confirm our receipt of the transmission. Your failure to seek such a telephone confirmation does not affect our obligation to honor such a facsimile presentation.

Our payments against complying presentations under this Letter of Credit will be made no later than on the third (3rd) banking day following a complying presentation.

Except as stated herein, this Letter of Credit is not subject to any condition or qualification. It is our individual obligation, which is not contingent upon reimbursement and is not affected by any agreement, document, or instrument between us and the Applicant or between the Beneficiary and the Applicant or any other party.

Except as otherwise specifically stated herein, this Letter of Credit is subject to and governed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce (ICC) Publication No. 600 (the "UCP 600"); provided that, if this Letter of Credit expires during an interruption of our business as described in Article 36 of the UCP 600, we will honor drafts presented in compliance with this Letter of Credit within thirty (30) days after the resumption of our business and effect payment accordingly.

The law of the State of New York shall apply to any matters not covered by the UCP 600.

For telephone assistance regarding this Letter of Credit, please contact us at [Insert number and any other necessary details].

Very truly yours,

[Insert name of issuing bank]
SVCE Regulatory and Legislative Update
April 2018
Hilary Staver, Manager of Regulatory and Legislative Affairs

Regulatory Summary
The PCIA proceeding is the one to watch this month. After six months of behind-the-scenes preparation, testimony on proposed PCIA alternatives has been submitted. This proceeding will now switch gears and move through a quick succession of deadlines at the Public Utilities Commission: rebuttal testimony at the end of April, hearings in May, briefs in June, and a Proposed Decision in July. Meanwhile, the Integrated Resource Planning proceeding has done the opposite, with stakeholders dispersing to work on their individual IRPs after a vigorous year-long discussion at the Commission. Expect to see a draft SVCE IRP at the June Board meeting, followed by a final version in July prior to the August 1st submission deadline. The Resource Adequacy proceeding is officially in a lull as parties await the release of a Proposed Decision in May, but brisk stakeholder engagement continues on both this proceeding and the implementation of AB 1110 at the California Energy Commission. CalCCA suffered a setback in the Tree Mortality NBC proceeding with the denial of its July 2017 Motion, but SVCE successfully completed the requirements of the waiver process needed to launch service in Milpitas in June 2018.

Regulatory Update

<table>
<thead>
<tr>
<th>PCIA Reform Rulemaking (R. 17-06-026)</th>
<th><img src="https://example.com/recall" alt="Recall:" /> On 7/10/17 the California Public Utilities Commission (CPUC) released an Order Instituting Rulemaking (OIR) “to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment.” The OIR dismisses the investor owned utilities’ (IOUs’) PAM application, and opens a new proceeding to consider reforms to the PCIA more broadly.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><img src="https://example.com/recall" alt="Recall:" /> On 4/2/18, CalCCA and other parties submitted opening testimony on proposed PCIA alternatives. CalCCA’s testimony presented a portfolio of potential solutions organized around three central themes: incremental improvements to the current PCIA methodology and its Market Price Benchmark; reduction of total IOU portfolio costs through securitization of utility-owned generation and other measures; and a long-term PCIA alternative based around an auction of the IOUs’ RPS and carbon-free resources.</td>
</tr>
<tr>
<td></td>
<td><img src="https://example.com/recall" alt="Recall:" /> Rebuttal testimony is due 4/23, and evidentiary hearings are scheduled for 5/7 – 5/11. Opening and reply briefs will be filed in June 2018, and a Proposed Decision is expected by July. This proceeding is still on track to begin implementation of the revised PCIA on 1/1/19.</td>
</tr>
</tbody>
</table>

| Integrated Resource Planning (IRP) (R. 16-02-007) | ![Recall:](https://example.com/recall) This rulemaking was opened for the purpose of implementing the electricity sector’s share of CA’s GHG emissions mitigation goals as put forth in SB 350. The IRP process requires load serving entities (LSEs) to develop long-term procurement roadmaps and share them with the CPUC to facilitate sector-wide planning. On 9/19/17, the CPUC released the Proposed Reference System Plan (RSP). The RSP is a statewide study that serves as a benchmark for what the Integrated Resource Plans (IRPs) of all the LSEs need to achieve in aggregate in order to meet CA’s GHG emission reduction goals. On December 28th, the CPUC released a Proposed Decision (PD) containing further requirements for IRP content and compliance protocol. This PD significantly expanded CPUC authority over CCA IRPs, allowing the CPUC to review and approve them despite the language in SB 350 specifying certification only. Despite strong advocacy from the CCA community, the PD was passed unanimously at the 2/28/18 Commission meeting. |
On 4/3/18, the CPUC released a Ruling on the GHG accounting methodology to be used in the IRP process. The ruling proposes adopting the Clean Net Short methodology, which was originally proposed by PG&E and struck from the 2/8 IRP Decision after opposition from CalCCA and other stakeholders. SVCE and CalCCA will be commenting on the Ruling and continuing advocacy on the GHG accounting methodology question.

Preparation of SVCE’s first Integrated Resource Plan is under way. IRPs are due at the CPUC on 8/1/18, but will need to be approved by the SVCE Board before being submitted to the Commission. SVCE staff anticipates bringing a draft IRP before the Board at the June meeting, followed by a final version at the July meeting.

CCA Rulemaking (R. 03-10-003)

Recall: On July 7th, SVCE and other CCAs filed testimony through CalCCA proposing an updated methodology for calculating the Financial Security Requirement (FSR, aka bond) that new CCAs must pay as insurance against failure and dissolution. In contrast to the IOUs’ argument for including an estimated cost of emergency procurement for involuntarily returning customers, CalCCA proposes that the FSR should cover only the administrative costs of re-incorporation. CalCCA was represented in the October 2017 evidentiary hearings by Mark Fulmer of MRW & Associates, LLC. Hearings were followed by opening and reply briefs, in which CalCCA continued to defend its proposal.

No New Updates: Parties are now awaiting a Proposed Decision.

Resource Adequacy (R. 17-09-020)

Recall: On 9/28/17, the CPUC issued an Order Instituting Rulemaking (OIR) opening a new Resource Adequacy (RA) proceeding. This proceeding will oversee the RA program for RA compliance years 2019 and 2020. It is the successor to R.14-10-010, a three-year proceeding that covered RA compliance years 2016, 2017, and 2018 and which was closed in June 2017. The OIR for R.17-09-020 indicates that CPUC staff are open to making structural improvements to the RA program, and asks for suggestions from stakeholders on how the program should be modified. SVCE and four other CCAs are participating jointly in this proceeding as the CCA Parties, and submitted comments on the OIR on 10/30/17 suggesting several structural improvements to the program. A prehearing conference was held on 12/4/17. On 12/21/17, the CCA Parties filed a Motion to expand the scope of this proceeding to include the RA-related issues cited in Draft Resolution E-4907. The CPUC released a Scoping Memo on 1/18/18. The Scoping Memo divides the proceeding into three tracks in order of decreasing urgency. The most urgent issues, including questions about compliance and cost allocation related to load migration (ie CCA launches and expansions) are included in Track 1. Track 1 is scheduled for a decision by June 2018, and will provide an avenue for CCAs to resolve outstanding issues related to Resolution E-4907. In February and March 2018, the CCA Parties submitted Track 1 Proposals with changes to the RA program, followed by comments and reply comments on the proposals of other parties.

Parties are now awaiting a Proposed Decision in Track 1 of this proceeding, which is expected in May 2018. In the meantime, the CCA Parties are continuing stakeholder outreach to build support for our Track 1 proposals.

AB 1110 Implementation

Recall: AB 1110 (Ting, Chapter 656, Statues of 2016) was passed in 2016 for the purpose of augmenting the information available to electricity consumers in the annually-distributed Power Content Label (PCL). AB 1110 requires that starting in 2020, in addition to displaying power mix the PCL will include the greenhouse gas emissions intensity (in lbs CO\textsubscript{2}e/MWh) of each LSE’s portfolio (or, if it offers multiple electricity products, of each individual product). AB 1110 also directs the California Energy Commission (CEC) to develop guidelines on how to treat unbundled RECs when calculating the power mix and GHG intensity metrics. On June 27th, the CEC released its proposed implementation plan for AB 1110. The
The proposal contains several provisions that could threaten SVCE’s claim of being carbon-free. Most importantly, the CEC proposes that for the purposes of calculating carbon intensity, PCC2 (aka “bucket 2”) RECs would have the emissions profile of the substitute energy that firms and shapes the energy product (usually gas) rather than that of the zero-carbon resource that generates the RECs. Secondly, PCC3 (unbundled) RECs would be reported in a footnote but not included in power mix or GHG intensity calculations. MWh for which SVCE has purchased unbundled RECs would thus no longer be carbon-free. On 1/17/18, the CEC issued an updated version of the AB 1110 Implementation Proposal. However, the updates to not change the treatment of PCC2 (ie “bucket 2”) renewables.

On 3/29/18, the California Energy Commission staff held a technical discussion on the updated version of the AB 1110 implementation proposal released 1/17. Strong debate about the proposed GHG accounting methodology continues, and the current implementation proposal would still assign non-zero emissions coefficients to out-of-state zero-carbon resources (ie Bucket 2 RPS resources). The informal pre-rulemaking part of this process is now drawing to a close as the formal rulemaking approaches. SVCE and the other CCAs are continuing strong advocacy on this issue.

**Tree Mortality NBC (A. 16-11-005)**

**Recall:** In 2016, an emergency proclamation by Governor Brown and a bill passed by the legislature (SB 692) separately ordered the IOUs to procure extra energy from biomass in order to dispose of trees killed by the drought. SB 692 explicitly authorizes the IOUs to recover the above-market cost of this procurement through a new non-bypassable charge (NBC), while Governor Brown’s proclamation does not. The IOUs would like to combine the procurement costs of these two mandates and recover both through a single new NBC. On July 14th, CalCCA submitted a Motion challenging a pre-hearing conference ruling in which the Administrative Law Judge (ALJ) erroneously determined the IOUs’ proposed combined NBC to be legal and acceptable. A workshop was held on 12/12/17, in which CCA and IOU representatives discussed the methodology for valuing the biomass resources authorized for cost recovery that would form the basis of the new NBC. The conversation revealed some common ground, particularly regarding the importance of consistency with the outcome of the ongoing PCIA reform proceeding. However, the workshop agenda explicitly excluded discussion of whether procurement mandated by Governor Brown’s emergency proclamation, which was not explicitly authorized for cost recovery via NBC, could be lumped in with the SB 692 procurement in the new NBC.

On 3/14/18, the Commission responded to and denied CalCCA’s July 2017 Motion on the treatment of procurement costs associated with Governor Brown's 2016 emergency proclamation. This is an expansion of CPUC authority, because it confirms the Commission’s ability to authorize new non-bypassable charges for recovering costs not explicitly authorized for NBC treatment in state law.

**Low Carbon Fuel Standard**

**Recall:** On December 4, SVCE submitted a second set of comments advocating for CCAs to become eligible for all or a portion of the Low Carbon Fuel Standard credits currently allocated to Electric Distribution Utilities (ie, IOUs).

**No New Updates:** Parties are now awaiting release of final updated LCFS guidelines, which are expected to be released in winter 2018.

**California Customer Choice Project (CCCP)**

**Recall:** Over the past year, the California Public Utilities Commission (CPUC) has hosted a series of stakeholder engagement events devoted to re-opening broader retail competition in the electricity sector. This started with an En
Banc Hearing on consumer and retail choice in May 2017. On 10/31/17, the CPUC held an all-day workshop in Sacramento featuring presentations from several state and countries (Texas, the UK, New York, Illinois, etc) that have at least partial competition in their retail electricity markets. However, it is unlikely that the CPUC will take any substantive action before the PCIA proceeding concludes in mid to late 2018.

➢ No New Updates: The CPUC has indicated that its next step will be to release a draft white paper on retail choice for public comment in early 2018, but the exact release date is still unknown.

Resolution E-4907
Registration Process for CCAs

➢ Recall: On December 8, the Commission released a resolution changing the compliance requirements for new and expanding CCAs that are submitting their implementation plans to the CPUC. The resolution sets more stringent timeline for implementation plan submission and certification, and if adopted as written would delay SVCE’s initiation of service to Milpitas to January 2019. An updated version of the DR released on 2/2/18 added a waiver process that would allow SVCE to move forward with a 2018 launch for Milpitas. The updated DR was unanimously approved at the 2/8/18 Commission meeting, and SVCE has been moving forward with the waiver process.
➢ SVCE submitted the Advice Letter required by the waiver process on 3/15/18. SVCE is now eligible to launch service in Milpitas in June 2018.

Petition for Modification of D. 12-12-036

➢ Recall: On January 30, the three investor-owned utilities (IOUs: PG&E, SCE, and SDG&E) filed a Petition for Modification of D.12-12-036. This Decision, passed in 2012, established a Code of Conduct and accompanying enforcement mechanisms related to IOU interactions with CCAs. D 12-12-036 was passed as part of the implementation process for SB 790, a 2011 law requiring limitations on IOU activities that was motivated by PG&E’s misuse of ratepayer resources and information while attempting to stymie the formation of MCE in 2010. The Petition for Modification (PfM) argues for removal of the limitations on both public marketing and lobbying of elected officials about CCAs, grounding the request in 1st Amendment arguments about free speech combined with the increasing popularity of the CCA model across the state. The IOUs can already do both of these things if they establish Independent Marketing Divisions (IMDs) that meet certain criteria for independence set by the CPUC (SDG&E is the only one of the three that has done this so far). However, this PfM would abolish the IMD requirement and allow the IOUs to engage directly in marketing and lobbying activities with no firewall. CalCCA submitted a response to the Petition for Modification (PfM) on 3/1/18.
➢ No new updates: Parties are now awaiting the Commission’s response to the PfM. The rules governing PfMs allow the Commission to respond at its leisure with no timeline restrictions, up to and including never responding at all. We therefore do not know how soon to expect Commission action.

Legislative Update
The 2018 legislative session is moving forward, and this week the legislature returned from its spring recess. The next major legislative deadlines are those for policy committees to pass bills to the floor in the first house, which fall on April 27th for fiscal bills and May 11th for non-fiscal bills. As of now there are no bills that are aimed directly at CCAs and considered an extreme threat. However, amendments and rewrites can change this at any time, and there are some bills that have moderate negative implications for the CCA community. These will be discussed verbally at the Board meeting due to the rapidly changing nature of the legislative conversation.
1. **Events and Presentations**

Staff continues to reach out to Milpitas community organizations to introduce the agency to Milpitas residents and businesses ahead of the June launch.

April is also a busy community outreach month with many of our member communities’ Earth and Arbor Day celebrations. If any Directors wish to attend and join staff and volunteers at one of the events in your community, please contact Andrea Pizano, Board Clerk.

Completed and Upcoming Events:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Event Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar. 23</td>
<td>7 AM – 5 PM</td>
<td>AIA Silicon Valley, Architectural Intelligence – <em>exhibitor</em></td>
<td>San Jose Convention Center</td>
</tr>
<tr>
<td>Mar. 27</td>
<td>6:30 – 7:30 PM</td>
<td>Milpitas Community Meeting</td>
<td>Barbara Lee Senior Center, <strong>Milpitas</strong></td>
</tr>
<tr>
<td>Mar. 28</td>
<td>7:30 – 9 AM</td>
<td>Milpitas Kiwanis Meeting – <em>presentation</em></td>
<td>Omega Restaurant, <strong>Milpitas</strong></td>
</tr>
<tr>
<td>Apr. 5</td>
<td>7:30 – 9 AM</td>
<td>Morgan Hill Chamber Breakfast – <em>sponsor &amp; presenter</em></td>
<td>Mamma Mia’s Restaurant, <strong>Morgan Hill</strong></td>
</tr>
<tr>
<td>Apr. 7</td>
<td>1 – 5 PM</td>
<td>Gilroy Non-Profit Trade Show/Art and Wine Stroll – <em>tabling</em></td>
<td>Downtown Gilroy/Chamber of Commerce, <strong>Gilroy</strong></td>
</tr>
<tr>
<td>Apr. 14</td>
<td>9:30 – 11 AM</td>
<td>Coffee with the Mayor of Gilroy – <em>presentation and Q&amp;A</em></td>
<td>City Council Chambers, <strong>Gilroy</strong></td>
</tr>
<tr>
<td>Apr. 15</td>
<td>1 – 4 PM</td>
<td>Los Altos Hills Earth Day Celebration – <em>tabling</em></td>
<td>Westwind Community Barn, <strong>Los Altos Hills</strong></td>
</tr>
<tr>
<td>Apr. 16</td>
<td>12 – 1 PM</td>
<td>Milpitas Rotary Club – <em>presentation</em></td>
<td>Dave &amp; Busters, <strong>Milpitas</strong></td>
</tr>
<tr>
<td>Apr. 21</td>
<td>11 AM – 3 PM</td>
<td>Cupertino Annual Earth and Arbor Day – <em>tabling and title sponsor</em></td>
<td>Civic Center Plaza, <strong>Cupertino</strong></td>
</tr>
<tr>
<td>Apr. 21</td>
<td>10 AM – 1 PM</td>
<td>Mountain View Annual Spring Family Parade – <em>tabling and title sponsor</em></td>
<td>Downtown/Castro Street, <strong>Mountain View</strong></td>
</tr>
<tr>
<td>Apr. 22</td>
<td>10 AM – 1 PM</td>
<td>Los Gatos Spring into Green – <em>tabling and sponsor</em></td>
<td>Town Plaza Park, <strong>Los Gatos</strong></td>
</tr>
<tr>
<td>Apr. 22</td>
<td>12 PM – 4 PM</td>
<td>Sunnyvale Living Green Fair – <em>tabling and sponsor</em></td>
<td>Public Library, <strong>Sunnyvale</strong></td>
</tr>
<tr>
<td>Apr. 28</td>
<td>2 PM – 4 PM</td>
<td>Saratoga State of the City – <em>tabling and sponsor</em></td>
<td>Civic Theatre, Council Chambers, <strong>Saratoga</strong></td>
</tr>
</tbody>
</table>
2. **Business Outreach**

**Corporate Earth Day Fairs**
To reach employees in SVCE’s service area, we will be staffing information booths at Earth Day events for the following companies:

- Tesla, Apr. 16
- Fenwick and West, Apr. 18
- Google, Apr. 18
- Adobe, Apr. 19
- Western Digital (SanDisk), Apr. 19
- LinkedIn, Apr. 20

**SVLG Energy & Sustainability Summit**
SVCE is sponsoring the Silicon Valley Leadership Group Energy and Sustainability Summit on May 24. The event is held at Oracle in Redwood City. We have several seats available at our table. If you would like to reserve a spot, please contact Andrea Pizano, SVCE Board Clerk.

More info about the event may be found at: [http://svlg.org/policy-areas/energy/ess](http://svlg.org/policy-areas/energy/ess).

3. **Upgrade and Opt Out Update**

Below is the number of GreenPrime Upgrades and Opt Outs as of Apr. 1, as well as the total opt out percentage in overall accounts.

<table>
<thead>
<tr>
<th></th>
<th>Upgrade</th>
<th>Opt Out</th>
<th>Opt Out by Account Type</th>
<th>Total Opt Out, All Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td>913</td>
<td>7,252</td>
<td>3.23%</td>
<td>3.17%</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td>1506</td>
<td>692</td>
<td>2.68%</td>
<td>3.17%</td>
</tr>
</tbody>
</table>
4. Media

Press Releases:
- Carbon-Free Electricity to Debut in Milpitas June 2018, published 3-15-2018
- SVCE Board Sets 2018 Electric Generation Rates, published 3-16-2018
## SVCE Board of Directors Agenda Planning

### Milestones

<table>
<thead>
<tr>
<th>MAY</th>
<th>JUNE</th>
<th>JULY</th>
<th>AUGUST</th>
<th>SEPTEMBER</th>
<th>OCTOBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milpitas Launch</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### May 9, 2018

- **Milestones**
  - Strategic Plan Update
  - Bike to the Future Recap

### June 13, 2018

- **Milestones**
  - Strategic Plan - Final
  - CPAG Recommendations

### July 11, 2018

- **Milestones**
  - Review Reserve Policies (Finance & Administration Committee)
  - FY 2018-19 Proposed Budget Review

### August 8, 2018

- FY2018-19 Recommended Budget

### September 12, 2018

- **Milestones**
  - Draft of IRP
  - Final Review of IRP

### October 10, 2018

- **Milestones**
  - PPA Contract
Staff Report – Item 5

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 5: Executive Committee Report

Date: 4/11/2018

This item will be addressed in the form of an oral report to the Board.
Staff Report – Item 6

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 6: Finance and Administration Committee Report

Date: 4/11/2018

No report as the Finance and Administration Committee has not met since their March 9, 2018 meeting.
Staff Report – Item 7

To: Silicon Valley Clean Energy Board of Directors
From: Girish Balachandran, CEO

Item 7: Legislative Ad Hoc Committee Report

Date: 4/11/2018

No report as the Legislative Ad Hoc Committee has not met since their March 6, 2018 meeting.