Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, May 9, 2018
7:00 pm
Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

Director Gibbons will attend by teleconference from 55 Alder Lane, North Falmouth, MA 02556. Members of the public may provide testimony at the teleconference location.

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 April 11, 2018, Board of Directors Meeting

1b) Approve Minutes of the April 11, 2018, Board of Directors Special Meeting

1c) Customer Program Advisory Group Report

1d) March 2018 Treasurer Report

Regular Calendar

2) Approve Pilot New Interim Rate Option for Large Commercial Customers Currently Opted Out (Action)

3) Approve Allocation of FY 17-18 Program Funding for Bay Area Air Quality Management District Climate Protection Grant Opportunity (Action)

4) FY 18-19 Budget Priorities, Assumptions and Timeline (Discussion)

5) Bike to the Future Recap (Discussion)

6) CEO Report (Discussion)
7) Executive Committee Report (Discussion)
8) Finance and Administration Committee Report (Discussion)
9) Legislative Ad Hoc Committee Report (Discussion)

Board Member Announcements and Direction on Future Agenda Items

Adjourn
Call to Order

Chair Corrigan called the meeting to order at 7:01 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
Director Steve Tate, City of Morgan Hill
Director Nancy Smith, City of Sunnyvale
Director Howard Miller, City of Saratoga
Director Rod Sinks, City of Cupertino
Director Rob Rennie, Town of Los Gatos
Director Daniel Harney, City of Gilroy (arrived at 7:05 p.m.)
Director Dave Cortese, County of Santa Clara
Director Jeannie Bruins, City of Los Altos
Director Burton Craig, City of Monte Sereno

Absent:
Director Liz Gibbons, City of Campbell

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

Director Smith requested to pull Item 1c for further discussion.

MOTION: Director Bruins moved and Director Miller seconded the motion to approve the Consent Calendar with the exception of Item 1c.

Chair Corrigan opened public comment.
No speakers.
Chair Corrigan closed public comment.
The motion carried unanimously with Directors Harney and Gibbons absent.

1a) Approve Minutes of the March 14, 2018 Board of Directors Meeting
1b) Customer Program Advisory Group 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

1c) February 2018 Treasurer Report

Director Smith inquired why there appeared to be fewer commercial and industrial customer accounts in December and January; Director of Administration and Finance Don Eckert and Manager of Account Services Don Bray provided information and noted Staff would get back to the Board with an explanation.

Director Miller suggested Staff develop an internal process to flag significant changes regarding customer accounts; CEO Girish Balachandran noted Staff would respond to the Board via email and institute a process to flag large changes in customer opt outs.

Chair Corrigan summarized comments to direct Staff to provide clarification on the numbers presented in the Treasurer Report by email to the Board with a public report out at the next meeting.

MOTION: Director Bruins moved and Director Smith seconded the motion to approve the February 2018 Treasurer Report.

Chair Corrigan opened public comment on Item 1c.
No speakers.
Chair Corrigan closed public comment on Item 1c.

The motion carried unanimously with Director Gibbons absent.

Regular Calendar

2) CEO 30-day Organization Assessment, Priorities and Adopt Resolution Amending the Organization Chart, Job Classifications, and Salary Schedule (Action)

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

Chair Corrigan opened public comment.

James Tuleya, resident of Sunnyvale, spoke in support of the CEO’s 30-day assessment and the need for decarbonizing buildings and transportation. Tuleya provided comments on the staffing plan including his opinion that the positions proposed on programs and regulatory affairs are necessary based on his past experience.

Chair Corrigan closed public comment.
MOTION: Director Miller moved and Director Bruins seconded the motion to adopt Resolution 2018-06 amending the organization chart, job classifications, and salary schedule.

The motion carried unanimously with Director Gibbons absent.

3) **SVCE Board of Directors Workshop Series (Action)**

Director of Customer Care Alan Suleiman introduced the item and responded to Board questions.

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

MOTION: Director Miller moved and Director Smith seconded the motion to approve a series of bi-monthly informal workshops and presentations.

The motion carried unanimously with Director Gibbons absent.

4) **CEO Report**

CEO Balachandran introduced TJ Messier, Power Settlements & Compliance Analyst.

Manager of Regulatory and Legislative Effectiveness Hilary Staver presented a regulatory and legislative update which included testimony submitted by CalCCA regarding proposed changes to the PCIA methodology, an update on the Integrated Resource Planning (IRP) proceeding and timeline for SVCE’s first IRP submission, and the completion of SVCE’s E-4907 waiver process.

Manager of Regulatory and Legislative Effectiveness Staver noted an opportunity on Monday, April 16, for a tour at the California Independent System Operator (CAISO); Directors requested Staff consider scheduling an additional trip for those unable to attend April 16.

Director Smith noted she would get contact information for the League of California Cities environmental quality policy staff to connect with Manager of Regulatory and Legislative Affairs Staver.

Peter Evans, Customer Program Advisory Group (CPAG) Chair, and Tara Martin-Milius, CPAG Vice Chair, provided a brief introduction and update on the CPAG’s efforts to get a point of view from a customer standpoint, the committee being purposeful in the benefits customer programs should yield and for whom, and the gathering of new ideas to bring to the Board of what programs SVCE could implement.

Chair Corrigan opened public comment.

James Tuleya commented his belief that legislation related to electrification is directly related to the next phase of SVCE’s efforts to electrify buildings and transportation. Tuleya commented on the PCIA and emphasized the strength of the arguments in the testimony for pushing on solutions for addressing the cost aspects of what utilities are doing, and supported the generation of new ideas and solutions.

At 7:55 p.m., Chair Corrigan requested a brief recess for a photo of Board members for SVCE’s first year anniversary in front of the dais; following the group photo, Directors took their seats at 7:57 p.m.

Director Cortese left the meeting following the group photo.

5) **Executive Committee Report**

Chair Corrigan reported the Executive Committee met March 27 and approved the cancellation of the August 28 Executive Committee meeting, and recommended the Board approve the cancellation of the August 8 Board meeting. Chair Corrigan noted the Committee received an update on SVCE’s market
share analysis, approved an updated staff report format to be used for future Committee and Board meeting reports, and discussed the CEO 30-day organization assessment/staffing plan and Director Workshop series.

6) Finance and Administration Committee Report

Chair Corrigan stated there was no report as the Finance and Administration Committee had not met since their March 9, 2018 meeting.

7) Legislative Ad Hoc Committee Report

Chair Corrigan stated there was no report.

Board Member Announcements and Direction on Future Agenda Items

Chair Corrigan encouraged cross-pollinizing with other groups, for example the Santa Clara Valley Water District, for collaboration between organizations who are also working on conservation.

Director Bruins supported Chair Corrigan’s comments, announced the VTA’s Earth Day Extravaganza event on April 18, and noted CEO Balachandran would be joining her for the VTA and ProspectSV press event on April 19. Director Bruins noted efforts to get one of VTA’s new electric buses to SVCE’s Bike to the Future event on May 5.

Director Bruins inquired who would be attending the SVCE legislative trip to Sacramento; Board members provided brief comments on logistics and CEO Balachandran provided brief comments on Staff coordination.

Director Bruins commended members of the public for attending meetings and noted appreciation for public participants submitting speaker cards in advance; Director Bruins commended Chair Corrigan for running efficient and fun meetings.

Director Smith highlighted SVCE’s purchase of a table at the Silicon Valley Leadership Group Summit; CEO Balachandran noted Staff would circulate event information to the Board. Director Sinks provided comments on the event and encouraged members to attend a Stanford event in mid-June.

Director Rennie announced he would be giving the State of the Town at the Los Gatos “Spring Into Green” event on April 22, and welcomed SVCE talking points from Staff.

Chair Corrigan announced a public speaking card was received and invited the speaker to the podium.

Fred Rubio noted he is a part of a data center located in Sunnyvale looking to expand and inquired if a major user could purchase power that they’ve produced. Rubio questioned if there is a special rate for customers using a lot of power.

Chair Corrigan noted Directors are not able to respond to public comment on the dais, but referred Rubio to Staff to assist in answering his questions. Chair Corrigan opened the floor for any Director wishing to agendize Rubio’s comments for a future discussion; there were no comments from the Board.

Rubio noted he would like to speak with Director Smith, as the data center is located in Sunnyvale; Chair Corrigan invited Rubio to connect with Director Smith following the meeting.
**Adjourn**

MOTION: Director Miller moved and Director Rennie seconded the motion to adjourn the meeting.

The motion carried unanimously with Directors Cortese and Gibbons absent.

Chair Corrigan adjourned the regular meeting at 8:17 p.m. and announced the special meeting and closed session would convene immediately in the Community Hall Kitchen.
Call to Order

Immediately following the adjourning of the regular meeting at 8:17 p.m. Chair Corrigan announced the special meeting and closed session would convene in the Community Hall Kitchen, and the Board went into Closed Session to discuss Anticipated Litigation pursuant to Government Code Section 54956.9(d)(2).

Roll Call

A roll call was not heard; the following Directors were in attendance:

Present:
Chair Courtenay Corrigan, Town of Los Altos Hills
Vice Chair Margaret Abe-Koga, City of Mountain View
Director Marsha Grilli, City of Milpitas
Director Steve Tate, City of Morgan Hill
Director Nancy Smith, City of Sunnyvale
Director Howard Miller, City of Saratoga
Director Rod Sinks, City of Cupertino
Director Rob Rennie, Town of Los Gatos
Director Daniel Harney, City of Gilroy
Director Jeannie Bruins, City of Los Altos
Director Burton Craig, City of Monte Sereno

Absent:
Director Dave Cortese, County of Santa Clara
Director Liz Gibbons, City of Campbell

Convene to Closed Session (Community Hall Kitchen)
Conference with Legal Counsel – Anticipated Litigation
Government Code Section 54956.9(d)(2)

The Board reconvened from Closed Session at 8:33 p.m. in Community Hall with Directors Cortese and Gibbons absent.

Report from Closed Session
Assistant General Counsel Casey Strong reported the Board met in closed session and stated that no reportable action was taken.
Adjourn

Chair Corrigan adjourned the special meeting at 8:33 p.m.
REPORT

The fourth Customer Program Advisory Group (CPAG) meeting was held on April 18, 2018 at the Campbell Community Center.

The CPAG meeting agenda and summary report are listed below.

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

Regular Calendar
   2) Evaluate Program Briefs Against Benefit List (Discussion)

Twelve "program briefs" developed within sub-committees covering the areas identified at the March 21 meeting and drawn from the breakout group presentations at the February 21 meeting were presented to the group. CPAG members were asked to complete an evaluation worksheet providing a positive, neutral, or negative scoring for each program's contribution to each of the benefits identified at prior CPAG meetings. The committee also discussed additional factors that they felt should be considered in evaluating potential programs. The evaluation worksheets were collected by staff, and results of the exercise will be discussed at the next meeting.

We expect to use the next meeting to prioritize or narrow the set of programs the CPAG will present to the board.

The next regularly scheduled CPAG meeting will take place on May 16, from 11 a.m. – 1 p.m., at the Sunnyvale Senior Center, Laurel Room.
TREASURER REPORT
Fiscal Year to Date
As of March 31, 2018
(Preliminary & Unaudited)
Issue Date: May 9, 2018

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<td>Statement of Revenues, Expenses &amp; Changes in Net Position</td>
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<td>Statement of Cash Flows</td>
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<td>Actuals to Budget Report</td>
<td>8-9</td>
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<td>Monthly Change in Net Position</td>
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<td>Investments Report</td>
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<td>Weather Statistics</td>
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<td>Accounts Receivable Aging Report</td>
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</table>
Financial Highlights for the month of March 2018:

Changes to the Organizational Chart were approved by the Board in April 2018. The Personnel Report will reflect those changes next month.

The Customer Account charts have been updated. Previous months data included a reporting error for Commercial & Industrial Accounts. This has been corrected moving forward.

> SVCE operations resulted in net loss for the month of $0.4 million and year-to-date positive change in net position of $11.7 million.
  o March revenue of $15.0 million accounted for 282 GWh in net retail consumption; well above budget.
  o Despite a strong revenue month, margin was negatively impacted due to large REC purchases.
  o Year-to-date contribution margin is $14.0 million.

> Retail GWh sales has a favorable year-to-date variance to budget of 0.7%.
  o Results for the month came significantly above plan (+26 GWh) more than offsetting last month’s shortfall.
  o Budget through January was adjusted to match actual performance. Forecasted GWh sales for the fiscal year is 3,600.

> Power Supply
  o Large REC purchases are reflected in March that impacted net margin.
  o Incremental power supply needs due to serving Milpitas has been secured.

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

> Investing/Financing
  o Money market investment was executed near the end of March 2018 with a return of 1.26%
  o SVCE is debt free at the end of January 2018.

Financial Statement Highlights ($ in 000's)

<table>
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<tr>
<th>Change in Net Position</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>
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<th>Amended Budget</th>
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<th>Power Supply Costs</th>
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<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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<td>Energy &amp; REC's</td>
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<td>13,620</td>
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<td>Capacity</td>
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<td>CAISO Charges</td>
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<td>295</td>
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SILICON VALLEY CLEAN ENERGY AUTHORITY

Financial Statement Highlights ($ in 000's)
YTD EXPENSES

Other Statistics and Ratios

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<th>Metric</th>
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<td>Working Capital</td>
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<td>Current Ratio</td>
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<td>Contribution Margin</td>
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<td>Expense Coverage Days</td>
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<td>Return on Equity</td>
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<td>FY16/17</td>
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## ASSETS

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<td>Cash &amp; Cash Equivalents</td>
<td>$41,405,441</td>
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<td>Accounts Receivable, net of allowance</td>
<td>12,487,241</td>
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<td>Accrued Revenue</td>
<td>10,299,825</td>
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<td>Other Receivables</td>
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<td>Prepaid Expenses</td>
<td>688,516</td>
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<td>Deposits</td>
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<td><strong>Total Current Assets</strong></td>
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<td>Capital assets, net of depreciation</td>
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<td>Deposits</td>
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<td><strong>Total Noncurrent Assets</strong></td>
<td><strong>298,614</strong></td>
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| **Total Assets**               | **70,369,437**  |

## LIABILITIES

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>942,947</td>
</tr>
<tr>
<td>Accrued Cost of Electricity</td>
<td>27,412,437</td>
</tr>
<tr>
<td>Accrued Payroll &amp; Benefits</td>
<td>155,153</td>
</tr>
<tr>
<td>Other Accrued Liabilities</td>
<td>100,000</td>
</tr>
<tr>
<td>User Taxes and Energy Surcharges due to other gov'ts</td>
<td>753,006</td>
</tr>
<tr>
<td>Supplier Security Deposits</td>
<td>1,185,000</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>30,548,543</strong></td>
</tr>
</tbody>
</table>

## NET POSITION

| Net investment in capital assets | 169,254         |
| Unrestricted (deficit)           | 39,651,340      |

| **Total Net Position**          | **$39,820,594** |
## SILICON VALLEY CLEAN ENERGY AUTHORITY

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

**October 1, 2017 through March 31, 2018**

### OPERATING REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Sales, Net</td>
<td>$102,091,695</td>
</tr>
<tr>
<td>GreenPrime electricity premium</td>
<td>342,880</td>
</tr>
<tr>
<td>Other income</td>
<td>65,310</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td><strong>102,499,885</strong></td>
</tr>
</tbody>
</table>

### OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Electricity</td>
<td>86,258,529</td>
</tr>
<tr>
<td>Staff Compensation and benefits</td>
<td>1,162,150</td>
</tr>
<tr>
<td>Data Management</td>
<td>1,675,721</td>
</tr>
<tr>
<td>Service Fees - PG&amp;E</td>
<td>608,698</td>
</tr>
<tr>
<td>Consultants and Other Professional Fees</td>
<td>396,965</td>
</tr>
<tr>
<td>Legal</td>
<td>158,253</td>
</tr>
<tr>
<td>Communications &amp; Noticing</td>
<td>181,264</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>523,199</td>
</tr>
<tr>
<td>Depreciation</td>
<td>17,795</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>90,982,574</strong></td>
</tr>
</tbody>
</table>

**OPERATING INCOME(LOSS)**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>11,517,311</strong></td>
</tr>
</tbody>
</table>

### NONOPERATING REVENUES (EXPENSES)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>3,452</td>
</tr>
<tr>
<td>Interest and related expenses</td>
<td>(15,666)</td>
</tr>
<tr>
<td><strong>TOTAL NONOPERATING EXPENSES</strong></td>
<td><strong>(12,214)</strong></td>
</tr>
</tbody>
</table>

### CHANGE IN NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position at beginning of period</td>
<td>28,315,497</td>
</tr>
<tr>
<td><strong>Net Position at end of period</strong></td>
<td><strong>$ 39,820,594</strong></td>
</tr>
</tbody>
</table>
CASH FLOWS FROM OPERATING ACTIVITIES
Receipts from electricity sales  $115,914,534
Receipts from other income  30,750
Receipts from supplier security deposits  1,185,000
Tax and surcharge receipts from customers  2,489,249
Energy settlements received  5,313,288
Deposits and collateral received  2,200,300
Payments to purchase electricity  (86,573,109)
Payments for staff compensation and benefits  (1,091,792)
Payments for data manager fees  (1,660,901)
Payments for PG&E service fees  (508,426)
Payments for consultants and other professional services  (425,563)
Payments for legal fees  (161,661)
Payments for communications and noticing  (99,803)
Payments for general and administrative  (568,959)
Energy settlements paid  (3,889,652)
Payments of deposits and collateral  (1,405,770)
Tax and surcharge payments to other governments  (2,421,922)

Net cash provided (used) by operating activities  28,325,563

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES
Principal payments on loan  (5,630,000)
Interest and related expense payments  (22,892)

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

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
Acquisition of capital assets  (14,279)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
Interest income received  3,452

Net change in cash and cash equivalents  22,661,844
Cash and cash equivalents at beginning of year  21,243,597
Cash and cash equivalents at end of period  $ 43,905,441
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense</td>
<td>17,794</td>
</tr>
<tr>
<td>Revenue reduced for uncollectible accounts</td>
<td>516,905</td>
</tr>
<tr>
<td>(Increase) decrease in net accounts receivable</td>
<td>8,416,204</td>
</tr>
<tr>
<td>(Increase) decrease in energy settlements receivable</td>
<td>266,328</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
<td>(47,030)</td>
</tr>
<tr>
<td>(Increase) decrease in accrued revenue</td>
<td>4,676,497</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>(616,674)</td>
</tr>
<tr>
<td>(Increase) decrease in current deposits</td>
<td>794,530</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>87,462</td>
</tr>
<tr>
<td>Increase (decrease) in accrued payroll &amp; benefits</td>
<td>70,130</td>
</tr>
<tr>
<td>Increase (decrease) in energy settlements payable</td>
<td>363,697</td>
</tr>
<tr>
<td>Increase (decrease) in supplier security deposits</td>
<td>1,185,000</td>
</tr>
<tr>
<td>Increase (decrease) in accrued cost of electricity</td>
<td>1,060,629</td>
</tr>
<tr>
<td>Increase (decrease) in accrued liabilities</td>
<td>79,100</td>
</tr>
<tr>
<td>Increase (decrease) taxes and surcharges due to other governments</td>
<td>(62,320)</td>
</tr>
</tbody>
</table>

**Net cash provided (used) by operating activities**

$ 28,325,563
### SILICON VALLEY CLEAN ENERGY

**BUDGETARY COMPARISON SCHEDULE**

October 1, 2017 through March 31, 2018

<table>
<thead>
<tr>
<th>REVENUES &amp; OTHER SOURCES</th>
<th>FYTD Actual</th>
<th>FYTD Amended Budget</th>
<th>Variance</th>
<th>% Amended Budget Spent</th>
<th>FY 2017-18 % Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Sales</td>
<td>$102,091,695</td>
<td>$100,972,336</td>
<td>$1,119,359</td>
<td>1%</td>
<td>$253,508,101</td>
</tr>
<tr>
<td>Green Prime Premium</td>
<td>342,880</td>
<td>313,033</td>
<td>29,847</td>
<td>10%</td>
<td>609,889</td>
</tr>
<tr>
<td>Other Income</td>
<td>65,310</td>
<td>35,750</td>
<td>29,560</td>
<td>83%</td>
<td>50,750</td>
</tr>
<tr>
<td>Investment Income</td>
<td>3,452</td>
<td>-</td>
<td>3,452</td>
<td>0%</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES &amp; OTHER SOURCES</strong></td>
<td><strong>102,503,337</strong></td>
<td><strong>101,321,119</strong></td>
<td><strong>1,182,218</strong></td>
<td><strong>1%</strong></td>
<td><strong>254,268,741</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES &amp; OTHER USES</th>
<th>CURRENT EXPENDITURES</th>
<th>OTHER USES</th>
<th>DEBT SERVICE</th>
<th>Net Increase(Decrease) in Available Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Supply</td>
<td>86,258,529</td>
<td>83,152,418</td>
<td>15,666</td>
<td>15,666</td>
</tr>
<tr>
<td>Data Management</td>
<td>1,675,721</td>
<td>1,643,802</td>
<td>1,277,879</td>
<td>1,264,041</td>
</tr>
<tr>
<td>PG&amp;E Fees</td>
<td>608,698</td>
<td>575,213</td>
<td>1,643,802</td>
<td>1,264,041</td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>1,162,150</td>
<td>1,431,744</td>
<td>29,847</td>
<td>29,847</td>
</tr>
<tr>
<td>Professional Services</td>
<td>541,380</td>
<td>662,500</td>
<td>269,594</td>
<td>269,594</td>
</tr>
<tr>
<td>Marketing &amp; Promotions</td>
<td>160,664</td>
<td>275,000</td>
<td>114,336</td>
<td>114,336</td>
</tr>
<tr>
<td>Notifications</td>
<td>20,600</td>
<td>15,000</td>
<td>6,271</td>
<td>6,271</td>
</tr>
<tr>
<td>Lease</td>
<td>161,017</td>
<td>167,288</td>
<td>6,271</td>
<td>6,271</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>362,182</td>
<td>298,950</td>
<td>3,452</td>
<td>3,452</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT EXPENDITURES</strong></td>
<td><strong>90,950,941</strong></td>
<td><strong>88,221,914</strong></td>
<td><strong>(2,729,027)</strong></td>
<td><strong>-3%</strong></td>
</tr>
<tr>
<td>Customer Programs</td>
<td>13,838</td>
<td>1,277,879</td>
<td>1,264,041</td>
<td>1,264,041</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>19,543</td>
<td>20,498</td>
<td>955</td>
<td>955</td>
</tr>
<tr>
<td><strong>TOTAL OTHER USES</strong></td>
<td><strong>33,381</strong></td>
<td><strong>1,298,377</strong></td>
<td><strong>1,264,996</strong></td>
<td><strong>97%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEBT SERVICE</th>
<th>Interest</th>
<th>Principal</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,666</td>
<td>5,630,000</td>
<td></td>
</tr>
</tbody>
</table>

| **TOTAL DEBT SERVICE** | **5,645,666** |

| **Total Expenditures, Other Uses & Debt Service** | **96,629,988** |

| **Net Increase(Decrease) in Available Fund Balance** | **$5,873,349** |

**SILICON VALLEY CLEAN ENERGY**

BUDGETARY COMPARISON SCHEDULE

October 1, 2017 through March 31, 2018
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 $ 5,873,349

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

Subtract depreciation expense (17,795)
Add back capital asset acquisitions 19,543
Add back principal payments on debt 5,630,000

Change in Net Position 11,505,097
### 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>Item 1d</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>OPERATING REVENUES</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>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>$16,117,978</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$102,091,695</td>
<td></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>64,918</td>
<td>342,880</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>-</td>
<td>24,450</td>
<td>6,300</td>
<td>-</td>
<td>34,560</td>
<td>65,310</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>22,555,980</td>
<td>15,490,195</td>
<td>17,410,427</td>
<td>14,978,487</td>
<td>16,217,456</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>102,499,885</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| OPERATING EXPENSES | | | | | | | | | | | | | |
| Staff compensation and benefits | 196,743 | 168,026 | 197,149 | 161,974 | 209,855 | 228,403 | 1,162,150 | |
| Data manager | 276,838 | 277,564 | 277,114 | 281,602 | 275,000 | 287,603 | 1,675,721 | |
| Service fees - PG&E | 920 | 200,000 | 104,290 | 120,027 | 101,645 | 81,816 | 608,698 | |
| Consultants and other professional fees | 78,816 | 90,373 | 106,105 | 110,236 | 77,044 | 287,603 | 523,199 | |
| General and administration | 55,285 | 66,571 | 110,236 | 141,733 | 1,900 | 159,302 | 578,229 | |
| Total operating expenses | 15,806,980 | 13,664,344 | 16,832,357 | 12,999,844 | 14,884,179 | 16,636,617 | - | - | - | - | - | - | - | 90,824,321 |

| Operating income (loss) | 6,749,000 | 1,825,851 | 578,070 | 2,847,496 | 94,308 | (419,161) | - | - | - | - | - | - | - | - | 11,675,564 |

| NONOPERATING REVENUES (EXPENSES) | | | | | | | | | | | | | |
| Interest income | - | - | - | - | - | 3,452 | 3,452 | |
| Interest and related expense | (7,442) | (8,224) | - | - | - | - | - | - | - | - | - | (15,666) | |
| Total nonoperating revenues (expenses) | (7,442) | (8,224) | - | - | - | 3,452 | - | - | - | - | - | (12,214) | |

| CHANGE IN NET POSITION | $6,741,558 | $1,817,627 | $578,070 | $2,847,496 | $94,308 | $(415,709) | - | - | - | - | - | - | - | - | $11,663,350 |
# Personnel Report for March 2018

## Headcount

<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</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Account Representative II</td>
<td>1</td>
<td>1</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>Finance Manager</td>
<td>1</td>
<td>1</td>
<td>1</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>1</td>
<td>0</td>
</tr>
<tr>
<td>Power Contracts &amp; Compliance Manager</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Power Resource Planning &amp; Programs Analyst</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>General Counsel &amp; Director of Governmental Affairs</td>
<td>1</td>
<td>0</td>
<td>1</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><strong>Total</strong></td>
<td><strong>21</strong></td>
<td><strong>15</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

## Contingent Positions

<table>
<thead>
<tr>
<th>Position</th>
<th>FY2017-18 Budget</th>
<th>FY2017-18 Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate Fellows / Temporary</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>
# SILICON VALLEY CLEAN ENERGY AUTHORITY
## INVESTMENTS SUMMARY
### March 31, 2018

<table>
<thead>
<tr>
<th>Return on Investments</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>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$3,452</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,452</td>
</tr>
</tbody>
</table>

### Portfolio Invested

- **Average daily portfolio available to invest**: $36,750,070
- **Average daily portfolio invested**: $20,003,452
- **% of average daily portfolio invested**: 54.4%

### Detail of Portfolio

<table>
<thead>
<tr>
<th>Money Market - River City Bank</th>
<th>Purchased Rate %</th>
<th>Maturity Rate %</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.26%</td>
<td>1.26%</td>
<td>$20,003,452</td>
</tr>
</tbody>
</table>
WEATHER STATISTICS

COOLING DEGREE DAYS

HEATING DEGREE DAYS
## Accounts Receivable Aging Report

**SILICON VALLEY CLEAN ENERGY AUTHORITY**  
**Accounts Receivable Aging Report**

<table>
<thead>
<tr>
<th>Total</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>Accounts Receivable $14,404,583</td>
<td>$12,963,227</td>
<td>$579,415</td>
<td>$338,592</td>
<td>$153,862</td>
<td>$369,488</td>
</tr>
<tr>
<td>Period %</td>
<td>100%</td>
<td>90.0%</td>
<td>4.0%</td>
<td>2.4%</td>
<td>1.1%</td>
</tr>
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Item 1d
Staff Report – Item 2

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 2: Approve Pilot New Interim Rate Option for Large Commercial Customers Currently Opted Out

Date: 5/9/2018

RECOMMENDATION
Staff recommends that the SVCE Board authorize the CEO to develop and pilot a new interim rate option for large commercial customers currently opted out.

BACKGROUND
Customers opting out of SVCE service after the conclusion of the enrollment window must select between two interim rate options, which then apply for six months prior to returning to PG&E’s standard rates:

- PG&E ‘Transitional Rate’
  - Changes weekly based on market rates
  - Varies by rate component, e.g. Peak, Part-Peak, Off-Peak
  - May be higher or lower than PG&E standard rate

- SVCE Standard Rates
  - The customer remains on standard SVCE rates for an additional six months, then transitions from SVCE rates to PG&E standard generation rates

Some large commercial customers have opted out based on concerns over the financial risk and uncertainty these two options present relative to PG&E rates. If an SVCE’s customers’ rates were suddenly to become much higher than PG&E, a customer immediately opting out and switching to PG&E transitional rates would be exposed to a complex rate structure that is much more volatile and potentially higher than a standard PG&E rate. At the same time, the second option of remaining on the SVCE rate for an additional six months would mean additional costs – as their decision to opt out was likely based on SVCE rates being higher than PG&E’s.

Under either scenario, customers are concerned that the prospect of higher costs during this six-month transition period may exceed any relative savings that would have accrued since becoming an SVCE customer. In the case of some large commercial and industrial customers, the financial uncertainty is considered material, and discouraging participation in SVCE’s electric service.

ANALYSIS & DISCUSSION
To address these risk-related concerns with current interim rate options, a new interim rate option ‘PG&E Equalization’ would be introduced for large non-residential customers currently opted out of SVCE service, and utilizing rate schedules E-19, E-20, and AG-5. Under this new interim rate option, a customer returning to SVCE service and subsequently electing to opt out would remain on SVCE’s currently applicable rate for six months. After the end of each billing month, the difference in total generation costs including PCIA under SVCE’s rate and the currently applicable PG&E rate, would be calculated and communicated to the customer. These costs would be calculated based upon the customer’s usage and demand during the given month.

At the end of the six-month transitional period, the sum of the monthly cost differences would be debited or credited to the customer – ensuring that the customer pays no more or no less than what they would have otherwise paid PG&E during this period.
The pilot PG&E Equalization approach is bilateral – SVCE commits to charging an interim rate equivalent to PG&E, and the customer agrees to pay this rate. As shown in Figure 1, Scenario 1 assumes that PG&E generation rates remain lower than SVCE rates throughout the six-month transition period. If the customer had committed using the PG&E Rate Equalization interim rate option, the customer would receive a payment from SVCE for the savings they would have realized as a PG&E customer during the six-month transition period. Under Scenario 2, where SVCE’s rates fall below PG&E’s rates during the six-month transition period, the customer will owe SVCE for the difference.

As noted, the pilot ‘PG&E Equalization’ interim rate option is applicable only to accounts on E-19, E-20, and AG-5 rate schedules. A signed agreement between SVCE and the customer must be in place and in effect, authorizing customer eligibility for this pilot interim rate option. The term on the agreement is five years from the date of return to SVCE service. This option will be available to qualifying customer accounts upon request. Signed agreements must be in place and operational by December 31, 2018, after which time the pilot PG&E Equalization interim rate option is closed. It may be re-opened at a later date if re-approved by the SVCE Board of Directors.

Staff recommends that the Board authorize the CEO to proceed with developing the agreement terms and conditions necessary to enable large C&I customers currently opted out to rejoin SVCE and commit to the ‘PG&E Equalization’ interim rate if they so choose. A presentation will be provided to the Board on this item.

**STRATEGIC PLAN**
This effort relates to SVCE’s Strategic Plan, Strategy 2.1.3, to engage with selected Direct Access customers and large bunded customers who have opted out to review options and benefits of service from SVCE.

**ALTERNATIVE**
Do not spend the time and effort to recruit large C&I customers currently opted out.

**FISCAL IMPACT**
In the event PG&E’s generation rates fall below those of SVCE for an extended period, SVCE bears some financial risk associated with this new option. In a worst-case scenario where SVCE generation rates exceeded PG&E’s rates by 5-10% during an SVCE customer’s six-month transition period back to PG&E, SVCE would be required to pay the customer this difference for six months. Yet this exposure is substantially offset by the significant additional margin that SVCE will currently earn if opted-out customers return to SVCE. Also, the number of accounts participating in this option will be limited. It is available only to large commercial and industrial accounts currently opted out of SVCE, and that elect to rejoin SVCE and commit to this option prior to December 31, 2018.
Staff Report – Item 3

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 3: Approve Allocation of FY 17-18 Program Funding for Bay Area Air Quality Management District Climate Protection Grant Opportunity

Date: 5/9/2018

RECOMMENDATION
Staff recommends that the SVCE Board approve the allocation of up to $500,000 of non-residential FY17-18 program funds to an electric heat pump water heater and electric service panel upgrade initiative titled “FutureFit”, commensurate with receipt of up to $500,000 in matching funds from the Bay Area Air Quality Management District (BAAQMD) Climate Protection Grant.

BACKGROUND
The Member Agency Working Group (MAWG) identified a $500,000 grant opportunity administered through BAAQMD, due May 11, 2018. The grant requires reducing greenhouse gas emissions in existing buildings.

The MAWG, as agents for their respective cities, are prioritizing an incentive for residential customers to fuel-switch from natural gas water heaters nearing the end of their useful lives to new electric heat pump water heaters. MAWG and SVCE staff recognize that a whole-home electrification campaign is the future direction for SVCE programming. As part of an all-electric home, a 200A electric service panel is effectively the minimum size to accommodate an electric heat pump water heater & furnace, electric vehicle, battery storage, electric dryer, and induction cooking. Therefore, the 200A service panel upgrade incentive will be included in the grant proposal along with the incentive for the heat pump itself.

In conjunction with the MAWG and industry stakeholders, SVCE is finalizing a grant application. The proposed grant initiative addresses two major issues in home electrification: 1) first cost, and 2) largest natural gas using appliance (water heater). By starting with these, future electrification initiatives will be simpler and less costly for the customer and SVCE. Because the proposed incentive includes payment towards the 200A service panel upgrade, this presents an attractive opportunity to the solar, storage and EV charging providers. Those industries must also account for potential service panel upgrades in their customer proposals and so this initiative functions as a de facto incentive for decarbonization efforts beyond heat pump water heaters. In effect, a customer interested in solar who also needs a service panel upgrade would be financially better off participating in the proposed SVCE heat pump/service panel initiative along with buying solar than they would be by buying solar alone.

The Board approved the SVCE program budget. Of $4.8M, the majority remains mostly unutilized. Allocation of these remaining funds is unlikely to be utilized prior to the end of FY18.

Simultaneously in the residential sector, the Customer Program Advisory Group (CPAG) recommendations are due June 2018 and a high level program roadmap will be developed by SVCE staff in September 2018. SVCE staff has coordinated with the CPAG to inform them of this effort. The funding request herein in no way reduces funds allocated within the scope of the CPAG.
ANALYSIS & DISCUSSION
The proposed total program budget could be as much as $1,000,000 with SVCE matching dollar for dollar the potential $500,000 from BAAQMD. Budget projections show this total amount could support 200 full heat pump water heater + 200A service panel installations resulting in a total reduction of 200 MT CO2 per year. Given a useful life of 13 years per heat pump, this projects to 2,600 MT CO2. However, viewing this initiative on its own rather than as part of the overall portfolio understates the impact. Because this initiative includes a 200A service panel, which is necessary for future home electrification, this initiative reduces potential future program costs arising from service panel issues (e.g. EV charging, solar, storage, etc.).

Based on recommendations from heat pump water heater manufacturers’ representatives, heat pump installers, MAWG staff, and SVCE staff, including the Service Panel upgrade as part of an overall incentive package representing about 80% of total installation costs would be necessary to make the first cost for heat pump water heaters on par with natural gas water heaters. Other utility programs reviewed which provided an incentive only on the heat pump water heater itself and did not address the true first cost barrier have failed to produce meaningful results even after years of effort.

Numerous signed letters in support of this initiative have been provided by member cities, non-profits, solar companies, and heat pump manufacturers for inclusion in our application packet.

STRATEGIC PLAN
SVCE’s Board-adopted Strategic Plan, specifically Strategy 5.3, identifies an objective to promote programs around decarbonization via fuel switching.

ALTERNATIVES
Two alternatives are possible.

1. Apply for this Grant without a firm commitment of funding. The chance of winning the grant will be reduced without a firm commitment of SVCE funding. We do not know the exact amount of risk this introduces.

2. Do not apply for this Grant. This logically reduces the leveraged funds opportunity to $0. Program for heat pumps, service panels, or other areas would come from SVCE program budget only.

FISCAL IMPACT
The approval of this staff recommendation has no fiscal impact as the existing budget for programs can accommodate this request. Further, this does not reduce any funds already budgeted within the scope of the CPAG for residential programs. Approval could mean an additional up to $500,000 over the course of two years for SVCE programs leveraged from outside sources.
Staff Report – Item 4

To:硅灵谷清洁能源理事会

From:Girish Balachandran, CEO

**Item 4:** FY 18-19 预算优先级、假设和时间表

Date:5/9/2018

This item will be addressed in the form of a presentation to the Board.
Staff Report – Item 5

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 5: Bike to the Future Recap

Date: 5/9/2018

REPORT

On May 5, 2018, SVCE will host “Bike to the Future”, an electric bike building scholarship competition at Gilroy Gardens. Students will compete in a series of challenges for a $5,000 scholarship prize using electric bikes they’ve designed and built.

A report highlighting the event will be provided to the Board in the form of a presentation.
Staff Report – Item 6

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 6: CEO Report

Date: 5/9/2018

REPORT

SVCE Staff Update
Don Bray has been promoted to the position of Director of Account Services & Customer Relations. Don has 25 years of experience in a variety of roles that make him very well suited to lead the accounts, communication, marketing and customer care functions at SVCE. Don was employee #2 at SVCE and was also responsible for pre-founding activities when he was the Executive Director of Joint Venture Silicon Valley. As a result, he has a deep understanding of all customer related activities at SVCE.

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 June 2018 for the wind project and one solar and energy storage project.

Storage Assessments: Coyote/Anderson Pumped Hydro Opportunity
SVCE’s strategic goals include proactively acquire carbon-free resources at the lowest cost, with due consideration for reliability of the grid. Consistent with this goal, SVCE believes that increasing the amount of energy storage on the electric grid will yield benefits for both the grid and SVCE:

- Storage paired with renewable sources such as wind or solar, will allow SVCE to contribute to the ongoing development of new renewable electricity generation, and reduced carbon emissions.
- Grid storage will make the grid more resilient and reduce price volatility, allowing SVCE to carry a lower level in their rate stabilization fund and return greater discounts to our customers.
- More grid storage will reduce the need to maintain or utilize gas-fired peaker plants, thereby reducing carbon emissions.
- New income opportunities will likely emerge associated with storage assets, and deploying more storage in SVCE communities will create jobs.
- Deploying more storage in SVCE’s community will lead to the creation of new, mutually-beneficial SVCE rate structures for residential, commercial, and industrial customers within SVCE territory.

SVCE’s approach is to be technology agnostic as it relates to energy storage, understanding there are existing and emerging technologies that might prove to be the best fit for achieving SVCE’s goals. Relatedly, SVCE is currently finalizing a $16,500 arrangement with NLine Energy for a high-level, 90-day Feasibility Assessment of the potential for economic development of a 10-15MW pumped hydro storage facility between Anderson and Coyote Reservoirs. The Santa Clara Valley Water District is actively engaged and will be providing data and support.
SVCE Net Energy Metering April Cash-Out

SVCE’s NEM tariff specifies an annual payout process for customers carrying a NEM credit balance greater than $100 as of their April billing cycle. For customers with credit balances of less than $100, the surplus amount is rolled forward. Checks are being sent during the first two weeks of May to 534 qualifying NEM customers, totaling nearly $160,000. The average payout for this group is $300, an amount valued at the SVCE’s retail rate of surplus generation. This amount is typically much higher than the PG&E payment of 2-3 cents, which is applicable only to surplus kilowatt hours. SVCE staff is planning to contact selected customers receiving NEM cash-out payments, to determine interest in participating in photo testimonials.

SVCE Awards

SVCE received the Government Finance Officers Association’s Distinguished Budget Presentation Award. This award is the highest form of recognition in governmental budgeting. In order to receive this award, SVCE’s budget needed to be rated “proficient” in four categories and in the fourteen mandatory criteria within those categories. SVCE is the only CCA to receive this award.

Our "Understanding your Bill” video won gold in the ‘government – electronic media’ category of the Hermes Creative Awards; these awards are administered and judged by the Association of Marketing and Communication Professionals in an international competition. Other agencies from throughout the country that also won awards in this category include the likes of CalOES, Union City, and the Center for Disease Control and Prevention (CDC).

CEO Agreements Executed

The following agreements have been executed by the CEO, consistent with the authority delegated by the Board:

1) TeenForce: Agreement for internship recruiting services, not to exceed $20,000
2) Derek May Photography: Agreement for photography and videography services, not to exceed $20,000
3) NLine Energy, Inc.: Agreement for Feasibility Assessment for a small pumped hydro storage opportunity located in Santa Clara County, CA, encompassing Anderson and Coyote Reservoirs, not to exceed $16,500

CEO Power Supply Agreements Executed

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

1) Calpine Energy Services: Two agreements for purchase of Resource Adequacy for the period January 2019 through December 2020
2) Tenaska Power Services: Two agreements for purchase of Resource Adequacy for the period January 2019 through December 2020
3) Monterey Bay Community Power: One agreement for the sale of Resource Adequacy for the period September 2018
4) Pacific Gas & Electric: Agreement for purchase of Resource Adequacy for the period 2019 through 2021. This agreement was the result of SVCE being selected as part of PG&E’s competitive solicitation to sell RA Capacity.
5) Marin Clean Energy: Two agreements, one for the purchase of System Resource Adequacy, one for the Sale of Local Resource Adequacy, for the period 4th Quarter 2018.
6) Pacific Gas & Electric: Agreement for purchase of PCC1 bundled RPS energy for the period 2018 through 2021. This agreement was the result of SVCE being selected as part of PG&E’s competitive solicitation to sell RPS energy.

The agreements are attached.
Watts For Lunch
The second key C&I accounts meeting was held at LinkedIn headquarters on May 7. Approximately 40 people attended. This being my first meeting with many of these customers, I provided them an overview of what I had presented to the Board last month related to bending the carbon curve downward, leveraging partnerships and our plans for decarbonization and grid innovation programs. Additional presentations by staff and invited speakers related to building electrification followed. The response from the attendees to the presentations and discussions was very positive and they are looking forward to future events.

ATTACHMENTS
1. GFOA and Hermes Creative Award Notifications
2. Power Supply Agreements Executed
3. Regulatory/Legislative Update, May 2018
4. Community Outreach Update, May 2018
5. Agenda Planning Document, May 2018 – October 2018
April 10, 2018

Don Eckert
Interim CEO/Director of Administration & Finance
Silicon Valley Clean Energy Authority
333 W. El Camino Real, Suite 290
Sunnyvale, CA 94087

Dear Mr. Eckert:

We are pleased to notify you that Silicon Valley Clean Energy Authority, California, has received the Distinguished Budget Presentation Award for the current budget from Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting and represents a significant achievement by your organization.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for its having achieved the award. This has been presented to:

Administration and Finance

We hope you will arrange for a formal public presentation of the award, and that appropriate publicity will be given to this notable achievement. A press release is enclosed for your use.

We appreciate your participation in GFOA's Budget Awards Program, and we sincerely hope that your example will encourage others to achieve and maintain excellence in governmental budgeting.

Sincerely,

Michele Mark Levine
Director, Technical Services Center

Enclosure
FOR IMMEDIATE RELEASE

April 10, 2018

(Chicago, Illinois)--Government Finance Officers Association is pleased to announce that Silicon Valley Clean Energy Authority, California, has received GFOA's Distinguished Budget Presentation Award for its budget.

The award represents a significant achievement by the entity. It reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the entity had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity’s budget serves as:

- a policy document
- a financial plan
- an operations guide
- a communications device

Budget documents must be rated "proficient" in all four categories, and in the fourteen mandatory criteria within those categories, to receive the award.

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Presentation is also presented to the individual(s) or department designated as being primarily responsible for having achieved the award. This has been presented to Administration and Finance.

There are over 1,600 participants in the Budget Awards Program. The most recent Budget Award recipients, along with their corresponding budget documents, are posted quarterly on GFOA's website. Award recipients have pioneered efforts to improve the quality of budgeting and provide an excellent example for other governments throughout North America.

Government Finance Officers Association is a major professional association servicing the needs of more than 19,000 appointed and elected local, state, and provincial-level government officials and other finance practitioners. It provides top quality publications, training programs, services, and products designed to enhance the skills and performance of those responsible for government finance policy and management. The association is headquartered in Chicago, Illinois, with offices in Washington D.C.
Pamela Leonard  
Silicon Valley Clean Energy  
333 W. El Camino Real, Ste. 290  
Sunnyvale, CA 94087 US

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<th>Title of Entry</th>
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<td>Electronic Media / Social Media / Interactive Media</td>
<td>GOLD</td>
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Entries receiving scores of 90-100 are Platinum Winners. Scores of 80-89 are Gold Winners and 70-79 are Honorable Mention Winners. There may be no winners or multiple winners in a category.

AMCP is the industry’s preeminent third-party evaluator of creative work. The organization has judged over 200,000 entries since its formation in 1994.
REVISED

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 28, 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.
"Contract Price" means, for any Monthly Delivery Period, the price specified under the RA Capacity Price Table in Section 4.9.

"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.

"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.

"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" has the meaning specified in Section 4.1 hereof.

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

"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.

"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.

"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.

"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.

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

"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.

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

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

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

"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.

"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.

"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.

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

"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).

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

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

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

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

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

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

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

"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).

"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: Delta Energy Center Aggregate

Location: Pittsburg, CA

CAISO Resource ID: DELTA_2_PL1X4

Resource Type: l_Phys_Res

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

Point of interconnection with the CAISO Controlled Grid ("Substation"): Pittsburg 230 kV substation

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): No

If yes: Local Capacity Area (as of Confirmation Effective Date): N/A

Product Type (Flexible/Generic): Flexible

If Generic: Unit NQC (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 March 1, 2019 through December 31, 2020, 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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<thead>
<tr>
<th>Month</th>
<th>Contract Quantity (MWs)</th>
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<tbody>
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<td>March 2019</td>
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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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<tr>
<th>Contract Year/Month</th>
<th>RA Capacity Flat Price ($/kW-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:  
Name: Andrew Novotny  
Title: Vice President

By:  
Name: Girish Balachandran  
Title: CEO
REVISED
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 28, 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.
"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.

"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.

"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.

"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.

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

"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).

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

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

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

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

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

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

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

"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).

"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: Delta Energy Center Aggregate
Location: Pittsburg, CA
CAISO Resource ID: DELTA_2_PL1X4
Resource Type: I_Phys_Res
Resource Category (1, 2, 3 or 4): 4
Point of interconnection with the CAISO Controlled Grid ("Substation"): Pittsburg 230 kV substation
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): No
If yes: Local Capacity Area (as of Confirmation Effective Date): N/A
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): 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, 2020, 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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<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:
4.9 **Penalties**

(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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</table>
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.

By:  
Name: Andrew Novotny  
Title: Vice President

Silicon Valley Clean Energy Authority

By:  
Name: GIRISH BALACHANDRAN  
Title: CEO
MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER - RESOURCE ADEQUACY
BETWEEN
TENASKA POWER SERVICES CO.
AND
SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

This Confirmation Letter ("Confirmation") confirms the Transaction between Tenaska Power Services Co., a Nebraska corporation ("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 30, 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 Western System Power Pool Agreement, effective as of June 20, 2017, as amended from time to time (the "WSPP Agreement"). The WSPP 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 WSPP Agreement or the Tariff (defined herein below).

ARTICLE 1. DEFINITIONS

1.1 "Alternate Capacity" means any replacement Product which Seller has elected to provide to Buyer from a Replacement Unit 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 of competent jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.

1.3 "Availability Incentive Payments" has the meaning set forth in the Tariff.

1.4 "Availability Standards" shall mean the availability standards set forth in Section 40.9 of the Tariff.

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

1.6 "CAISO" means the California Independent System Operator Corporation 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 Section 4 of the WSPP 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 3.2 hereof.

1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified for such Monthly Delivery Period in the "RA Capacity Price Table" set forth 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, to the extent still applicable, 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 and subsequent decisions related to resource adequacy, as may be amended 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 (including any Alternate Capacity) for such Showing Month, minus (i) any reductions to Contract Quantity made by Seller pursuant to Section 4.4 and for which Seller has not elected to provide Alternate Capacity; and (ii) any reductions resulting from an event other than a Non-Excusable Event.

1.18 "Flexible RA Attributes" means any and all flexible resource adequacy attributes, as may be identified at any time during the Delivery Period by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward Flexible RAR, exclusive of any RA Attributes and LAR Attributes.

1.19 "Flexible RAR" means the flexible resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.20 "Flexible RAR Showing" means the Flexible RAR 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 of competent jurisdiction over the LSE.

1.21 "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.

1.22 "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 of competent jurisdiction over the LSE. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.

1.23 "LAR Attributes" means, with respect to a Unit, any and all local resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC, CAISO, LRA, or other Governmental Body of competent jurisdiction, associated with the physical location or point of electrical interconnection of such Unit within the CAISO Control Area, that can be counted toward LAR, exclusive of any RA Attributes and Flexible RA Attributes. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or redefines existing local areas, then such change will not result in a change in payments made pursuant to this Transaction.

1.24 "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 of competent jurisdiction over the LSE.

1.25 "Local RAR" means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent 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.

1.26 "LRA" means Local Regulatory Authority as defined in the Tariff.

1.27 "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).
1.28 "Monthly Delivery Period" means each calendar month during the Delivery Period and shall correspond to each Showing Month.

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

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

1.31 "Non-Excusable Event" means any event, other than a Planned Outage and those events described under the definition of "Service Schedule B Commitment Service" in the WSPP Agreement that excuse Seller's performance, that causes Seller to fail to perform its obligations under this Confirmation, including, without limitation, any such event resulting from (a) the negligence of the owner, operator or Scheduling Coordinator of a Unit, or (b) Seller's failure to comply, or failure to cause the owner, operator or Scheduling Coordinator of the Units to comply, with the terms of the Tariff with respect to the Units providing RA Attributes, Flexible RA Attributes or LAR Attributes, as applicable.

1.32 "Notification Deadline" has the meaning specified in Section 4.5 hereof.

1.33 "Outage" means any CAISO approved 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.

1.34 "Planned Outage" means, subject to and as further described in the CPUC Decisions, 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.

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

1.36 "RA 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 CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and Flexible RA Attributes.

1.37 "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR and, if applicable, LAR and Flexible RAR 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 RA Attributes, and if applicable, LAR Attributes and Flexible RA Attributes of the capacity provided by a Unit.

1.38 "RAR" means the resource adequacy requirements (other than Local RAR or Flexible RAR) established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.39 "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 CPUC Decisions, or to an LRA of competent jurisdiction.

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

1.41 "Replacement Unit" has the meaning specified in Section 4.5.

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

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

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

1.45 "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, 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.
1.46 "Supply Plan" means the supply plan, or similar or successor filing, that a Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other applicable Governmental Body pursuant to Applicable Laws in order for the RA Attributes or LAR Attributes of such RA Capacity to count.

1.47 "Tariff" means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time. For purposes of Article 5, the Tariff refers to the tariff and protocol provisions of the CAISO as they exist on the Confirmation Effective Date.

1.48 "Transaction" for purposes of this Agreement means the Transaction that is evidenced by this Agreement.

1.49 "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.

1.50 "Unit EFC" means the effective flexible capacity that is or will be set by the CAISO for the applicable Unit.

1.51 "Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. The Parties agree that if the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, that 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, or (ii) the CAISO-adjusted Net Qualifying Capacity.

1.52 "WSPP Agreement" has the meaning specified in the introductory paragraph hereof.

**ARTICLE 2. UNIT INFORMATION**

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<th>Name</th>
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<td>Unit EFC</td>
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<tr>
<td>Flexible RAR Category (1, 2 or 3)</td>
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<tr>
<td>Path 26 (North of South)</td>
<td>North</td>
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<tr>
<td>Local Capacity Area (if any, as of Confirmation Effective Date)</td>
<td>PG&amp;E Other</td>
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<tr>
<td>Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment</td>
<td>None</td>
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<td>Run Hour Restrictions</td>
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**ARTICLE 3. RESOURCE ADEQUACY CAPACITY PRODUCT**

3.1 Resource Adequacy Capacity Product

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Agreement, the Designated RA Capacity in accordance with the product types selected in Section 3.2 (the "Product") and the Contract Quantity
set forth in Section 4.3. The Product does not confer to Buyer any right to the electrical output from the Units. Rather, the Product confers the right to include the Designated RA Capacity in RAR Showings, LAR Showings, Flexible RAR Showings, if 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 any RA Capacity from a Unit in excess of that Unit’s Contract Quantity and any RA Attributes, LAR Attributes or Flexible RA Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.2 Product Type

☐ Flexible RA Product

The Designated RA Capacity is a Flexible RA Product. For avoidance of doubt, the Flexible RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[ ] FCR Attributes with LAR Attributes
[ ] FCR Attributes with RAR Attributes

☒ Generic RA Product

The Designated RA Capacity is a Generic RA Product. For avoidance of doubt, the Generic RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[ ] RAR Attributes
[X] LAR Attributes

3.3 Delivery Obligation

☒ Contingent Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units. If one or more Units are not available to provide the full amount of the Contract Quantity for any reason, including as a result of a Non-Excusable Event, Seller shall have the option to notify Buyer in writing by the Notification Deadline that Seller will supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Buyer with the Designated RA Capacity as a result of a Non-Excusable Event, then Seller shall be liable for damages and/or required to indemnify Buyer for any resulting penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof. Notwithstanding anything herein to the contrary, if Seller provides less than the full amount of the Contract Quantity (i) for any reason other than a Non-Excusable Event or (ii) in accordance with Section 4.4, Seller is not obligated to provide Buyer with Alternate Capacity or to indemnify Buyer for any resulting penalties or fines.

ARTICLE 4. DELIVERY AND PAYMENT

4.1 Delivery Period

The Delivery Period shall be: January 1, 2019, through December 31, 2020.

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 for each Monthly Delivery Period shall be:

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

(a) Planned Outages: If Seller is unable to provide the applicable Contract Quantity for a portion of a Showing Month due to a Planned Outage of a Unit, then Seller shall have the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to either (a) reduce the Contract Quantity in accordance with the Planned Outage for such portion of the Showing Month; or (b) provide Alternate Capacity up to the Contract Quantity for the applicable portion of such Showing Month.

(b) Invoice Adjustment: In the event that the Contract Quantity is reduced due to a Planned Outage as set forth in Section 4.4(a) above, then the invoice for such month(s) shall be adjusted to reflect a daily pro rata amount for the duration of such reduction.

(c) Reductions in Unit NQC and/or Unit EFC: Seller’s obligation to deliver the applicable Contract Quantity for any Showing Month may also be reduced by Seller if the Unit experiences a reduction in Unit NQC and/or Unit EFC as determined by the CAISO. If the Unit experiences such a reduction in Unit NQC and/or Unit EFC, then Seller has the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, 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) Alternate Capacity up to the Contract Quantity.

4.5 Notification Deadline and Replacement Units

(a) The "Notification Deadline" in respect of a Showing Month shall be ten (10) Business Days before the earlier of the relevant deadlines for (a) the corresponding RAR Showings, Flexible RAR Showings and/or LAR Showings for such Showing Month, and (b) the CAISO Supply Plan filings applicable to that Showing Month.

(b) If Seller desires to provide the Contract Quantity of Product for any Showing Month from a generating unit other than the Unit (a "Replacement Unit"), then Seller may, at no additional cost to Buyer, provide Buyer with Product from one or more Replacement Units, up to the Contract Quantity, for the applicable Showing Month; provided that in each case, Seller shall notify Buyer in
writing of such Replacement Units no later than the Notification Deadline. 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 the remaining portion of that Showing Month.

(c) If Seller fails to provide Buyer the Contract Quantity of Product or Alternate Capacity for a given Showing Month during the Delivery Period, then (i) Buyer may, but shall not be required to, purchase Product from a third party; and (ii) 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 such failure is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4, or (B) an event other than a Non-Excusable Event.

4.6 Delivery of Product

(a) Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month.

(b) Seller shall submit, or cause the Unit's Scheduling Coordinator to submit, by the Notification Deadline (i) Supply Plans to the CAISO, LRA, or other applicable Governmental Body identifying and confirming the Designated RA Capacity to be provided to Buyer for the applicable Showing Month, unless Buyer specifically requests in writing that Seller not do so (it being understood that any Designated RA Capacity subject to such a request from Buyer will be deemed to have been provided to Buyer for all purposes under this Confirmation); and (ii) written confirmation to Buyer that Buyer will be credited with the Designated RA Capacity for such Showing Month per the Unit's Scheduling Coordinator Supply Plan.

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, and such failure is not excused under the terms of the Agreement, 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 RA Attributes, and, if applicable, LAR Attributes, and Flexible RA Attributes as the Designated RA Capacity not provided by Seller; provided, however, that if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having solely RA Attributes and no LAR Attributes or Flexible RA Attributes, and no such RA Capacity is available, then Buyer may replace such portion of the Designated RA Capacity with capacity having any applicable Flexible RA Attributes and/or LAR Attributes ("Replacement Capacity") by entering into purchase transactions with one or more third parties, including, without limitation, third parties who have purchased capacity from Buyer so long as such transactions are done at prevailing market prices. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.

(b) Seller shall pay to Buyer 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, and (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); minus (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 CAISO revenues or future amounts it may owe to Seller under this Confirmation pursuant to the WSPP Agreement.

4.8 Indemnities for Failure to Deliver Contract Quantity

Subject to any adjustments made pursuant to Section 4.4, Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, to the extent not otherwise paid by Seller to Buyer under Section 4.7(b), resulting from any of the following:

(a) Seller's failure to provide any portion of the Designated RA Capacity due to a Non-Excusable Event;

(b) Seller's failure to provide notice of the non-availability of any portion of Designated RA Capacity as required under Sections 3.2, 4.4 and 4.5; or
(c) A Unit Scheduling Coordinator’s failure to timely 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 Section 9 of the WSPP Agreement with respect to each Showing Month, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit by the later of (i) ten (10) Calendar Days after Buyer’s receipt of Seller’s invoice and (ii) the twentieth (20th) of the month following the Monthly Delivery Period, or if the twentieth (20th) is not a Business Day the next following Business Day. 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, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be prorated to reflect any portion of Designated RA Capacity that was not delivered pursuant to Section 4.4 at the time of the CAISO filing for the respective Showing Month.

<table>
<thead>
<tr>
<th>RA CAPACITY PRICE TABLE</th>
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<tbody>
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<td>December</td>
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</table>

4.10 Allocation of Other Payments and Costs

Seller shall be entitled to receive and retain all revenues that Buyer is not expressly entitled to receive pursuant to this Agreement, including all revenues that Seller 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) revenue for ancillary services, (c) energy sales, (d) 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, Flexible RAR Showing, as may be applicable, 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. 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 (e) above). In accordance with Section 4.9 of this Confirmation, all such Buyer revenues received by Seller, or a Unit's Scheduling Coordinator, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Seller does not remit to Buyer, and Seller shall pay such revenues received by it to Buyer if the Unit's Scheduling Coordinator, owner, or operator fails to remit those revenues to Buyer. If Seller or the Unit's Scheduling Coordinator, owner, or operator (as applicable) fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues 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 resale in such market, and retain and receive any and all related revenues.

**ARTICLE 5. CAISO OFFER REQUIREMENTS**

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event other than a Non-Excusable Event, 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.

**ARTICLE 6. GOVERNING LAW**

Section 24 is deleted in its entirety and this Confirmation, including the provisions and requirements of the Tariff and the definition of the Product and its components, and any portion of the WSPP Agreement applicable to this Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of laws rules thereof.

**ARTICLE 7. OTHER BUYER AND SELLER COVENANTS**

7.1 Further Assurances

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 applicable RAR, LAR and Flexible RAR. Such commercially reasonable actions shall include, without limitation:

(a) 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 the applicable RAR, LAR, and Flexible RAR 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 CPUC, the CAISO, a LRA of competent jurisdiction, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, to demonstrate that the Contract Quantity can be delivered to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, pursuant to the "deliverability" standards established by the CAISO or other Governmental Body of competent jurisdiction; and
(b) negotiating in good faith to make necessary amendments, if any, to this Confirmation, which are subject to agreement of such Parties, in each Party’s sole discretion, to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, so as to maintain the purpose and intent of the Transaction agreed to by the Parties on the Confirmation Effective Date. The above notwithstanding, the Parties are aware that the CPUC and CAISO are considering changes to RAR and/or LAR in CPUC Rulemaking 11-10-023 and potentially other proceedings;

Provided, however, that “commercially reasonable actions” under this Section 7.1 shall not require the Seller, or the owner or operator of any Unit to undertake any capital improvements, facility enhancements, or the construction of new facilities.

7.2 Seller Representations and Warranties

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, the CAISO, the CPUC, a LRA of competent jurisdiction, 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 such third party’s applicable RAR, LAR or Flexible RAR or analogous 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 or Flexible RAR, or analogous 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, in accordance with 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, RAR, LAR and Flexible RAR;

(g) If Seller is the owner of any Unit, the aggregation of all amounts of applicable LAR Attributes, RA Attributes and Flexible RA 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 Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR and Flexible RAR;

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

(j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each Unit’s Scheduling Coordinator to provide to the Buyer, by the Notification Deadline, 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 Scheduling Coordinator that Buyer is entitled to the revenues set forth in Section 4.10 of this Confirmation, and such Scheduling Coordinator is obligated to promptly
deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

ARTICLE 8. CONFIDENTIALITY

In addition to the rights and obligations in the WSPP 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 of competent jurisdiction in order to support its applicable LAR, RAR or Flexible RAR Showings, if applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the Scheduling Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans.

ARTICLE 9. BUYER'S RE-SALE OF PRODUCT

Buyer may re-sell all or a portion of the Product hereunder; provided, however, that any such re-sale does not increase Seller's obligations or liabilities hereunder.

ARTICLE 10. MARKET BASED RATE AUTHORITY

Upon Buyer’s written request, Seller shall, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, 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 shall 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.

ARTICLE 11. COLLATERAL REQUIREMENTS

Notwithstanding any provision in the WSPP Agreement to the contrary, neither Party shall be required to post collateral or other security for this Transaction.

ARTICLE 12. NO RECOURSE TO MEMBERS OF BUYER

Buyer is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Buyer will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Confirmation. Seller will have no rights and will not make any claims, take any actions or assert any remedies against any of Buyer’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of Buyer or Buyer’s constituent members, in connection with this Confirmation.

ARTICLE 13. COUNTERPARTS

This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to counterparty were upon a single instrument. Delivery of an executed signature page of this Confirmation by facsimile or electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature

(Signature Page to Follow)
ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

TENASKA POWER SERVICES CO.

By: [Signature]
Name: Kevin R. Simon
Title: President

SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

By: [Signature]
Name: Girish Balachandran
Title: Chief Executive Officer
MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER - RESOURCE ADEQUACY
BETWEEN
TENASKA POWER SERVICES CO.
AND
SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

This Confirmation Letter ("Confirmation") confirms the Transaction between Tenaska Power Services Co., a Nebraska corporation ("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 30, 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 Western System Power Pool Agreement, effective as of June 20, 2017, as amended from time to time (the "WSPP Agreement"). The WSPP 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 WSPP Agreement or the Tariff (defined herein below).

ARTICLE 1. DEFINITIONS

1.1 "Alternate Capacity" means any replacement Product which Seller has elected to provide to Buyer from a Replacement Unit 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 of competent jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.

1.3 "Availability Incentive Payments" has the meaning set forth in the Tariff.

1.4 "Availability Standards" shall mean the availability standards set forth in Section 40.9 of the Tariff.

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

1.6 "CAISO" means the California Independent System Operator Corporation 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 Section 4 of the WSPP 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 3.2 hereof.

1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified for such Monthly Delivery Period in the "RA Capacity Price Table" set forth 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, to the extent still applicable, CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 06-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050 and subsequent decisions related to resource adequacy, as may be amended 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 (including any Alternate Capacity) for such Showing Month, minus (i) any reductions to Contract Quantity made by Seller pursuant to Section 4.4 and for which Seller has not elected to provide Alternate Capacity; and (ii) any reductions resulting from an event other than a Non-Excusable Event.

1.18 "Flexible RA Attributes" means any and all flexible resource adequacy attributes, as may be identified at any time during the Delivery Period by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward Flexible RAR, exclusive of any RA Attributes and LAR Attributes.

1.19 "Flexible RAR" means the flexible resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.20 "Flexible RAR Showing" means the Flexible RAR 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 of competent jurisdiction over the LSE.

1.21 "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.

1.22 "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 of competent jurisdiction over the LSE. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.

1.23 "LAR Attributes" means, with respect to a Unit, any and all local resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC, CAISO, LRA, or other Governmental Body of competent jurisdiction, associated with the physical location or point of electrical interconnection of such Unit within the CAISO Control Area, that can be counted toward LAR, exclusive of any RA Attributes and Flexible RA Attributes. 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 payments made pursuant to this Transaction.

1.24 "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 of competent jurisdiction over the LSE.

1.25 "Local RAR" means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent 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.

1.26 "LRA" means Local Regulatory Authority as defined in the Tariff.

1.27 "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).
1.28  "Monthly Delivery Period" means each calendar month during the Delivery Period and shall correspond to each Showing Month.

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

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

1.31  "Non-Excusable Event" means any event, other than a Planned Outage and those events described under the definition of "Service Schedule B Commitment Service" in the WSPP Agreement that excuse Seller’s performance, that causes Seller to fail to perform its obligations under this Confirmation, including, without limitation, any such event resulting from (a) the negligence of the owner, operator or Scheduling Coordinator of a Unit, or (b) Seller’s failure to comply, or failure to cause the owner, operator or Scheduling Coordinator of the Units to comply, with the terms of the Tariff with respect to the Units providing RA Attributes, Flexible RA Attributes or LAR Attributes, as applicable.

1.32  "Notification Deadline" has the meaning specified in Section 4.5 hereof.

1.33  "Outage" means any CAISO approved 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.

1.34  "Planned Outage" means, subject to and as further described in the CPUC Decisions, 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.

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

1.36  "RA 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 CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and Flexible RA Attributes.

1.37  "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR and, if applicable, LAR and Flexible RAR 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 RA Attributes, and if applicable, LAR Attributes and Flexible RA Attributes of the capacity provided by a Unit.

1.38  "RAR" means the resource adequacy requirements (other than Local RAR or Flexible RAR) established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.39  "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 CPUC Decisions, or to an LRA of competent jurisdiction.

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

1.41  "Replacement Unit" has the meaning specified in Section 4.5.

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

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

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

1.45  "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, 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.
1.46 "Supply Plan" means the supply plan, or similar or successor filing, that a Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other applicable Governmental Body pursuant to Applicable Laws in order for the RA Attributes or LAR Attributes of such RA Capacity to count.

1.47 "Tariff" means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time. For purposes of Article 5, the Tariff refers to the tariff and protocol provisions of the CAISO as they exist on the Confirmation Effective Date.

1.48 "Transaction" for purposes of this Agreement means the Transaction that is evidenced by this Agreement.

1.49 "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.

1.50 "Unit EFC" means the effective flexible capacity that is or will be set by the CAISO for the applicable Unit.

1.51 "Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. The Parties agree that if the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, that 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, or (ii) the CAISO-adjusted Net Qualifying Capacity.

1.52 "WSPP Agreement" has the meaning specified in the introductory paragraph hereof.

**ARTICLE 2. UNIT INFORMATION**

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<tr>
<td>Path 26 (North or South)</td>
<td>North</td>
<td>North</td>
</tr>
<tr>
<td>Local Capacity Area (if any, as of Confirmation Effective Date)</td>
<td>PG&amp;E Other</td>
<td>PG&amp;E Other</td>
</tr>
<tr>
<td>Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Run Hour Restrictions</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
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**ARTICLE 3. RESOURCE ADEQUACY CAPACITY PRODUCT**

3.1 Resource Adequacy Capacity Product

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Agreement, the Designated RA Capacity in accordance with the product types selected in Section 3.2 (the "Product") and the Contract Quantity
set forth in Section 4.3. The Product does not confer to Buyer any right to the electrical output from the Units. Rather, the Product confers the right to include the Designated RA Capacity in RAR Showings, LAR Showings, Flexible RAR Showings, if 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 any RA Capacity from a Unit in excess of that Unit’s Contract Quantity and any RA Attributes, LAR Attributes or Flexible RA Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.2 Product Type

☑ Flexible RA Product

The Designated RA Capacity is a Flexible RA Product. For avoidance of doubt, the Flexible RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[X] FCR Attributes with LAR Attributes

[ ] FCR Attributes with RAR Attributes

☐ Generic RA Product

The Designated RA Capacity is a Generic RA Product. For avoidance of doubt, the Generic RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[ ] RAR Attributes

[ ] LAR Attributes

3.3 Delivery Obligation

☑ Contingent Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units. If one or more Units are not available to provide the full amount of the Contract Quantity for any reason, including as a result of a Non-Excusable Event, Seller shall have the option to notify Buyer in writing by the Notification Deadline that Seller will supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Buyer with the Designated RA Capacity as a result of a Non-Excusable Event, then Seller shall be liable for damages and/or required to indemnify Buyer for any resulting penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof. Notwithstanding anything herein to the contrary, if Seller provides less than the full amount of the Contract Quantity (i) for any reason other than a Non-Excusable Event or (ii) in accordance with Section 4.4, Seller is not obligated to provide Buyer with Alternate Capacity or to indemnify Buyer for any resulting penalties or fines.

ARTICLE 4. DELIVERY AND PAYMENT

4.1 Delivery Period

The Delivery Period shall be: January 1, 2019, through December 31, 2020.

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 for each Monthly Delivery Period shall be:

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>LAR Contract Quantity (MWs) Middle Fork and Raiston PSP</th>
<th>LAR Contract Quantity (MWs) French Meadows</th>
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</thead>
<tbody>
<tr>
<td>January</td>
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<td>November</td>
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<tr>
<td>December</td>
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</table>

4.4 **Adjustments to Contract Quantity**

(a) **Planned Outages:** If Seller is unable to provide the applicable Contract Quantity for a portion of a Showing Month due to a Planned Outage of a Unit, then Seller shall have the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to either (a) reduce the Contract Quantity in accordance with the Planned Outage for such portion of the Showing Month; or (b) provide Alternate Capacity up to the Contract Quantity for the applicable portion of such Showing Month.

(b) **Invoice Adjustment:** In the event that the Contract Quantity is reduced due to a Planned Outage as set forth in Section 4.4(a) above, then the invoice for such month(s) shall be adjusted to reflect a daily pro rata amount for the duration of such reduction.

(c) **Reductions in Unit NQC and/or Unit EFC:** Seller's obligation to deliver the applicable Contract Quantity for any Showing Month may also be reduced by Seller if the Unit experiences a reduction in Unit NQC and/or Unit EFC as determined by the CAISO. If the Unit experiences such a reduction in Unit NQC and/or Unit EFC, then Seller has the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, 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) Alternate Capacity up to the Contract Quantity.

4.5 **Notification Deadline and Replacement Units**

(a) The "Notification Deadline" in respect of a Showing Month shall be ten (10) Business Days before the earlier of the relevant deadlines for (a) the corresponding RAR Showings, Flexible RAR Showings and/or LAR Showings for such Showing Month, and (b) the CAISO Supply Plan filings applicable to that Showing Month.

(b) If Seller desires to provide the Contract Quantity of Product for any Showing Month from a generating unit other than the Unit (a "Replacement Unit"), then Seller may, at no additional cost to Buyer, provide Buyer with Product from one or more Replacement Units, up to the Contract Quantity, for the applicable Showing Month; provided that in each case, Seller shall notify Buyer in...
writing of such Replacement Units no later than the Notification Deadline. 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 the remaining portion of that Showing Month.

(c) If Seller fails to provide Buyer the Contract Quantity of Product or Alternate Capacity for a given Showing Month during the Delivery Period, then (i) Buyer may, but shall not be required to, purchase Product from a third party; and (ii) 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 such failure is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4, or (B) an event other than a Non-Excusable Event.

4.6 Delivery of Product

(a) Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month.

(b) Seller shall submit, or cause the Unit’s Scheduling Coordinator to submit, by the Notification Deadline (i) Supply Plans to the CAISO, LRA, or other applicable Governmental Body identifying and confirming the Designated RA Capacity to be provided to Buyer for the applicable Showing Month, unless Buyer specifically requests in writing that Seller not do so (it being understood that any Designated RA Capacity subject to such a request from Buyer will be deemed to have been provided to Buyer for all purposes under this Confirmation); and (ii) written confirmation to Buyer that Buyer will be credited with the Designated RA Capacity for such Showing Month per the Unit’s Scheduling Coordinator Supply Plan.

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, and such failure is not excused under the terms of the Agreement, 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 RA Attributes, and, if applicable, LAR Attributes, and Flexible RA Attributes as the Designated RA Capacity not provided by Seller; provided, however, that if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having solely RA Attributes and no LAR Attributes or Flexible RA Attributes, and no such RA Capacity is available, then Buyer may replace such portion of the Designated RA Capacity with capacity having any applicable Flexible RA Attributes and/or LAR Attributes ("Replacement Capacity") by entering into purchase transactions with one or more third parties, including, without limitation, third parties who have purchased capacity from Buyer so long as such transactions are done at prevailing market prices. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.

(b) Seller shall pay to Buyer 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, and (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); minus (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 CAISO revenues or future amounts it may owe to Seller under this Confirmation pursuant to the WSPP Agreement.

4.8 Indemnities for Failure to Deliver Contract Quantity

Subject to any adjustments made pursuant to Section 4.4, Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, to the extent not otherwise paid by Seller to Buyer under Section 4.7(b), resulting from any of the following:

(a) Seller’s failure to provide any portion of the Designated RA Capacity due to a Non-Excusable Event;

(b) Seller’s failure to provide notice of the non-availability of any portion of Designated RA Capacity as required under Sections 3.2, 4.4 and 4.5; or
(c) A Unit Scheduling Coordinator's failure to timely 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 Section 9 of the WSPP Agreement with respect to each Showing Month, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit by the later of (i) ten (10) Calendar Days after Buyer's receipt of Seller's invoice and (ii) the twentieth (20th) of the month following the Monthly Delivery Period, or if the twentieth (20th) is not a Business Day the next following Business Day. 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, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be prorated to reflect any portion of Designated RA Capacity that was not delivered pursuant to Section 4.4 at the time of the CAISO filing for the respective Showing Month.

### RA CAPACITY PRICE TABLE

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>LAR Capacity Price ($/kW-month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>$8.30</td>
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<tr>
<td>February</td>
<td>$8.40</td>
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<tr>
<td>March</td>
<td>$8.50</td>
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<td>April</td>
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<td>July</td>
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<td>September</td>
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<td>October</td>
<td>$9.20</td>
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<tr>
<td>November</td>
<td>$9.30</td>
</tr>
<tr>
<td>December</td>
<td>$9.40</td>
</tr>
</tbody>
</table>

4.10 Allocation of Other Payments and Costs

Seller shall be entitled to receive and retain all revenues that Buyer is not expressly entitled to receive pursuant to this Agreement, including all revenues that Seller 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) revenue for ancillary services, (c) energy sales, (d) 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, Flexible RAR Showing, as may be applicable, 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. 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 (e) above. In accordance with Section 4.9 of this Confirmation, all such Buyer revenues received by Seller, or a Unit's Scheduling Coordinator, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Seller does not remit to Buyer, and Seller shall pay such revenues received by it to Buyer if the Unit's Scheduling Coordinator, owner, or operator fails to remit those revenues to Buyer. If Seller or the Unit's Scheduling Coordinator, owner, or operator (as applicable) fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues 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 resale in such market, and retain and receive any and all related revenues.

ARTICLE 5. CAISO OFFER REQUIREMENTS

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event other than a Non-Excusable Event, 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.

ARTICLE 6. GOVERNING LAW

Section 24 is deleted in its entirety and this Confirmation, including the provisions and requirements of the Tariff and the definition of the Product and its components, and any portion of the WSPP Agreement applicable to this Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of laws rules thereof.

ARTICLE 7. OTHER BUYER AND SELLER COVENANTS

7.1 Further Assurances

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 applicable RAR, LAR and Flexible RAR. Such commercially reasonable actions shall include, without limitation:

(a) 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 the applicable RAR, LAR, and Flexible RAR 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 CPUC, the CAISO, a LRA of competent jurisdiction, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, to demonstrate that the Contract Quantity can be delivered to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, pursuant to the "deliverability" standards established by the CAISO or other Governmental Body of competent jurisdiction; and
(b) negotiating in good faith to make necessary amendments, if any, to this Confirmation, which are subject to agreement of such Parties, in each Party's sole discretion, to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, so as to maintain the purpose and intent of the Transaction agreed to by the Parties on the Confirmation Effective Date. The above notwithstanding, the Parties are aware that the CPUC and CAISO are considering changes to RAR and/or LAR in CPUC Rulemaking 11-10-023 and potentially other proceedings;

Provided, however, that "commercially reasonable actions" under this Section 7.1 shall not require the Seller, or the owner or operator of any Unit to undertake any capital improvements, facility enhancements, or the construction of new facilities.

7.2 Seller Representations and Warranties

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, the CAISO, the CPUC, a LRA of competent jurisdiction, 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 such third party's applicable RAR, LAR or Flexible RAR or analogous 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 or Flexible RAR, or analogous 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, in accordance with 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, RAR, LAR and Flexible RAR;

(g) If Seller is the owner of any Unit, the aggregation of all amounts of applicable LAR Attributes, RA Attributes and Flexible RA 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 Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR and Flexible RAR;

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

(j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each Unit's Scheduling Coordinator to provide to the Buyer, by the Notification Deadline, 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 Scheduling Coordinator that Buyer is entitled to the revenues set forth in Section 4.10 of this Confirmation, and such Scheduling Coordinator is obligated to promptly
deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

ARTICLE 8. CONFIDENTIALITY

In addition to the rights and obligations in the WSPP 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 of competent jurisdiction in order to support its applicable LAR, RAR or Flexible RAR Showings, if applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the Scheduling Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans.

ARTICLE 9. BUYER’S RE-SALE OF PRODUCT

Buyer may re-sell all or a portion of the Product hereunder; provided, however, that any such re-sale does not increase Seller’s obligations or liabilities hereunder.

ARTICLE 10. MARKET BASED RATE AUTHORITY

Upon Buyer’s written request, Seller shall, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, 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 shall 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.

ARTICLE 11. COLLATERAL REQUIREMENTS

Notwithstanding any provision in the WSPP Agreement to the contrary, neither Party shall be required to post collateral or other security for this Transaction.

ARTICLE 12. NO RECOVERY TO MEMBERS OF BUYER

Buyer is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Buyer will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Confirmation. Seller will have no rights and will not make any claims, take any actions or assert any remedies against any of Buyer’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of Buyer or Buyer’s constituent members, in connection with this Confirmation.

ARTICLE 13. COUNTERPARTS

This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to counterparty were upon a single instrument. Delivery of an executed signature page of this Confirmation by facsimile or electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature

(Signature Page to Follow)
ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

TENASKA POWER SERVICES CO.

By: [Signature]
Name: Kevin R. Smith
Title: President

SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

By: [Signature]
Name: Girish Balachandran
Title: Chief Executive Officer
MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER - RESOURCE ADEQUACY
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY
AND
MONTEREY BAY COMMUNITY POWER AUTHORITY

This Confirmation Letter ("Confirmation") confirms the Transaction between Silicon Valley Clean Energy Authority, a California joint powers authority ("Seller") and Monterey Bay Community Power Authority, a California joint powers authority ("Buyer"), each individually a "Party" and together the "Parties", dated as of April 25, 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 Western System Power Pool Agreement, effective as of June 20, 2017, as amended from time to time (the "WSPP Agreement"). The WSPP 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 WSPP Agreement or the Tariff (defined herein below).

ARTICLE 1. DEFINITIONS

1.1 "Alternate Capacity" means any replacement Product which Seller has elected to provide to Buyer from a Replacement Unit 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 of competent jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.

1.3 "Availability Incentive Payments" has the meaning set forth in the Tariff.

1.4 "Availability Standards" shall mean the availability standards set forth in Section 40.9 of the Tariff.

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

1.6 "CAISO" means the California Independent System Operator Corporation 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 Section 4 of the WSPP 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 3.2 hereof.

1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified for such Monthly Delivery Period in the "RA Capacity Price Table" set forth 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, to the extent still applicable, 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 and subsequent decisions related to resource adequacy, as may be amended 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 (including any Alternate Capacity) for such Showing Month, minus (i) any reductions to Contract Quantity made by Seller pursuant to Section 4.4 and for which Seller has not elected to provide Alternate Capacity; and (ii) any reductions resulting from an event other than a Non-Excusable Event.

1.18 "Flexible RA Attributes" means any and all flexible resource adequacy attributes, as may be identified at any time during the Delivery Period by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward Flexible RAR, exclusive of any RA Attributes and LAR Attributes.

1.19 "Flexible RAR" means the flexible resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.20 "Flexible RAR Showing" means the Flexible RAR 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 of competent jurisdiction over the LSE.

1.21 "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.

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

1.23 "LAR Attributes" means, with respect to a Unit, any and all local resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC, CAISO, LRA, or other Governmental Body of competent jurisdiction, associated with the physical location or point of electrical interconnection of such Unit within the CAISO Control Area, that can be counted toward LAR, exclusive of any RA Attributes and Flexible RA Attributes. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or re-define existing local areas, then such change will not result in a change in payments made pursuant to this Transaction.

1.24 "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 of competent jurisdiction over the LSE.

1.25 "Local RAR" means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent 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.

1.26 "LRA" means Local Regulatory Authority as defined in the Tariff.

1.27 "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).
1.28 "Monthly Delivery Period" means each calendar month during the Delivery Period and shall correspond to each Showing Month.

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

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

1.31 "Non-Excusable Event" means any event, other than a Planned Outage and those events described under the definition of "Service Schedule B Commitment Service" in the WSPP Agreement that excuse Seller's performance, that causes Seller to fail to perform its obligations under this Confirmation, including, without limitation, any such event resulting from (a) the negligence of the owner, operator or Scheduling Coordinator of a Unit, or (b) Seller's failure to comply, or failure to cause the owner, operator or Scheduling Coordinator of the Units to comply, with the terms of the Tariff with respect to the Units providing RA Attributes, Flexible RA Attributes or LAR Attributes, as applicable.

1.32 "Notification Deadline" has the meaning specified in Section 4.5 hereof.

1.33 "Outage" means any CAISO approved 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.

1.34 "Planned Outage" means, subject to and as further described in the CPUC Decisions, 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.

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

1.36 "RA 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 CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and Flexible RA Attributes.

1.37 "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR and, if applicable, LAR and Flexible RAR 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 RA Attributes, and if applicable, LAR Attributes and Flexible RA Attributes of the capacity provided by a Unit.

1.38 "RAR" means the resource adequacy requirements (other than Local RAR or Flexible RAR) established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.39 "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 CPUC Decisions, or to an LRA of competent jurisdiction.

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

1.41 "Replacement Unit" has the meaning specified in Section 4.5.

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

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

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

1.45 "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, 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.
"Supply Plan" means the supply plan, or similar or successor filing, that a Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other applicable Governmental Body pursuant to Applicable Laws in order for the RA Attributes or LAR Attributes of such RA Capacity to count.

"Tariff" means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time. For purposes of Article 5, the Tariff refers to the tariff and protocol provisions of the CAISO as they exist on the Confirmation Effective Date.

"Transaction" for purposes of this Agreement means the Transaction that is evidenced by this Agreement.

"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.

"Unit EFC" means the effective flexible capacity that is or will be set by the CAISO for the applicable Unit.

"Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. The Parties agree that if the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, that 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, or (ii) the CAISO-adjusted Net Qualifying Capacity.

"WSPP Agreement" has the meaning specified in the introductory paragraph hereof.

**ARTICLE 2. UNIT INFORMATION**

<table>
<thead>
<tr>
<th>Name</th>
<th>Malaga Power Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Freson, CA</td>
</tr>
<tr>
<td>CAISO Resource ID</td>
<td>MALAGA_1_PL1X2</td>
</tr>
<tr>
<td>Unit SCID</td>
<td>TSC5</td>
</tr>
<tr>
<td>Unit NQC</td>
<td>96</td>
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<td>Unit EFC</td>
<td>96</td>
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<tr>
<td>Resource Type</td>
<td>Natural Gas</td>
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<tr>
<td>Resource Category (1, 2, 3 or 4)</td>
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</tr>
<tr>
<td>Flexible RAR Category (1, 2 or 3)</td>
<td>1</td>
</tr>
<tr>
<td>Path 26 (North or South)</td>
<td>North</td>
</tr>
<tr>
<td>Local Capacity Area if any, as of Confirmation Effective Date</td>
<td>Greater Fresno</td>
</tr>
<tr>
<td>Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment</td>
<td>None</td>
</tr>
<tr>
<td>Run Hour Restrictions</td>
<td>None</td>
</tr>
</tbody>
</table>

**ARTICLE 3. RESOURCE ADEQUACY CAPACITY PRODUCT**

3.1 Resource Adequacy Capacity Product

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Agreement, the Designated RA Capacity in accordance with the product types selected in Section 3.2 (the "Product") and the Contract Quantity set forth in Section 4.3. The Product does not confer to Buyer any right to the electrical output from the Units. Rather, the Product confers the right to include the Designated RA Capacity in RAR Showings, LAR Showings, Flexible RAR Showings, if 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 any RA Capacity from a Unit in excess of that Unit's Contract Quantity and any RA Attributes, LAR Attributes or Flexible RA Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.2 Product Type

☐ Flexible RA Product

The Designated RA Capacity is a Flexible RA Product. For avoidance of doubt, the Flexible RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[X] FCR Attributes with LAR Attributes
[ ] FCR Attributes with RAR Attributes

☐ Generic RA Product

The Designated RA Capacity is a Generic RA Product. For avoidance of doubt, the Generic RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[ ] RAR Attributes
[ ] LAR Attributes

3.3 Delivery Obligation

☐ Contingent Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units. If those Units are not available to provide the full amount of the Contract Quantity as a result of any Planned Outage of the Unit(s) and/or reduction in the Unit EFC or Unit NQC of such Unit, then, subject to Section 4.4, Seller shall have the option to notify Buyer in writing by the Notification Deadline that either (a) Seller will not provide the full Contract Quantity during the period of such non-availability; or (b) Seller will supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Buyer with the Contract Quantity as a result of a Non-Excusable Event and has failed to notify Buyer in writing by the Notification Deadline that it will not provide the full Contract Quantity during the period of such non-availability as provided in Section 4.4, then Seller shall be liable for damages and/or required to indemnify Buyer for any resulting penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof. Notwithstanding anything herein to the contrary, if Seller provides less than the full amount of the Contract Quantity (i) for any reason other than a Non-Excusable Event or (ii) in accordance with Section 4.4, Seller is not obligated to provide Buyer with Alternate Capacity or to indemnify Buyer for any resulting penalties or fines.

ARTICLE 4. DELIVERY AND PAYMENT

4.1 Delivery Period

The Delivery Period shall be: September 1, 2018, through September 30, 2018, 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 for each Monthly Delivery Period shall be:

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>Flexible LAR Contract Quantity (MWs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td></td>
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<td>February</td>
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<td>November</td>
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<td>December</td>
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4.4 Adjustments to Contract Quantity

(a) Planned Outages: If Seller is unable to provide the applicable Contract Quantity for a portion of a Showing Month due to a Planned Outage of a Unit, then Seller shall have the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to either (a) reduce the Contract Quantity in accordance with the Planned Outage for such portion of the Showing Month; or (b) provide Alternate Capacity up to the Contract Quantity for the applicable portion of such Showing Month.

(b) Invoice Adjustment: In the event that the Contract Quantity is reduced due to a Planned Outage as set forth in Section 4.4(a) above, then the invoice for such month(s) shall be adjusted to reflect a daily pro rata amount for the duration of such reduction.

(c) Reductions in Unit NQC and/or Unit EFC: Seller's obligation to deliver the applicable Contract Quantity for any Showing Month may also be reduced by Seller if the Unit experiences a reduction in Unit NQC and/or Unit EFC as determined by the CAISO. If the Unit experiences such a reduction in Unit NQC and/or Unit EFC, then Seller has the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, 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) Alternate Capacity up to the Contract Quantity.

4.5 Notification Deadline and Replacement Units

(a) The "Notification Deadline" in respect of a Showing Month shall be ten (10) Business Days before the earlier of the relevant deadlines for (a) the corresponding RAR Showings, Flexible RAR Showings and/or LAR Showings for such Showing Month, and (b) the CAISO Supply Plan filings applicable to that Showing Month.

(b) If Seller desires to provide the Contract Quantity of Product for any Showing Month from a generating unit other than the Unit (a "Replacement Unit"), then Seller may, at no additional cost to Buyer, provide Buyer with Product from one or more Replacement Units, up to the Contract Quantity, for the applicable Showing Month; provided that in each case, Seller shall notify Buyer in writing of such Replacement Units no later than the Notification Deadline. 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 the remaining portion of that Showing Month.

(c) If Seller fails to provide Buyer the Contract Quantity of Product or Alternate Capacity for a given Showing Month during the Delivery Period, then (i) Buyer may, but shall not be required to, purchase Product from a third party; and (ii) 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 such failure is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4, or (B) an event other than a Non-Excusable Event.

4.6 Delivery of Product

(a) Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month.

(b) Seller shall submit, or cause the Unit's Scheduling Coordinator to submit, by the Notification Deadline (i) Supply Plans to the CAISO, LRA, or other applicable Governmental Body identifying and confirming the Designated RA Capacity to be provided to Buyer for the applicable Showing Month, unless Buyer specifically requests in writing that Seller not do so (it being understood that any Designated RA Capacity subject to such a request from Buyer will be deemed to have been provided to Buyer for all purposes under this Confirmation); and (ii) written confirmation to Buyer that Buyer will be credited with the Designated RA Capacity for such Showing Month per the Unit's Scheduling Coordinator Supply Plan.

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, and such failure is not excused under the terms of the Agreement, 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 RA Attributes, and, if applicable, LAR Attributes, and Flexible RA Attributes as the Designated RA Capacity not provided by Seller; provided, however, that if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having solely RA Attributes and no LAR Attributes or Flexible RA Attributes, and no such RA Capacity is available, then Buyer may replace such portion of the Designated RA Capacity with capacity having any applicable Flexible RA Attributes and/or LAR Attributes ("Replacement Capacity") by entering into purchase transactions with one or more third parties, including, without limitation, third parties who have purchased capacity from Buyer so long as such transactions are done at prevailing market prices. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.

(b) Seller shall pay to Buyer 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, and (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); minus (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 CAISO revenues or future amounts it may owe to Seller under this Confirmation pursuant to the WSPP Agreement.

4.8 Indemnities for Failure to Deliver Contract Quantity

Subject to any adjustments made pursuant to Section 4.4, Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, to the extent not otherwise paid by Seller to Buyer under Section 4.7(b), resulting from any of the following:

(a) Seller's failure to provide any portion of the Designated RA Capacity due to a Non-Excusable Event;

(b) Seller's failure to provide notice of the non-availability of any portion of Designated RA Capacity as required under Sections 3.2, 4.4 and 4.5; or
(c) A Unit Scheduling Coordinator's failure to timely 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 Section 9 of the WSPP Agreement with respect to each Showing Month, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit by the later of (i) ten (10) Calendar Days after Buyer's receipt of Seller's invoice and (ii) the twentieth (20th) of the month following the Monthly Delivery Period, or if the twentieth (20th) is not a Business Day the next following Business Day. 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, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be prorated to reflect any portion of Designated RA Capacity that was not delivered pursuant to Section 4.4 at the time of the CAISO filing for the respective Showing Month.

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>RAR Capacity Price ($/kW-month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>$[ ]</td>
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<tr>
<td>February</td>
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<td>March</td>
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<tr>
<td>November</td>
<td>$[ ]</td>
</tr>
<tr>
<td>December</td>
<td>$[ ]</td>
</tr>
</tbody>
</table>

4.10 Allocation of Other Payments and Costs

Seller shall be entitled to receive and retain all revenues that Buyer is not expressly entitled to receive pursuant to this Agreement, including all revenues that Seller 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) revenue for ancillary services, (c) energy sales, (d) 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, LR Showing, Flexible RAR Showing, as may be applicable, 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. 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 (e) above. In accordance with Section 4.9 of this Confirmation, all such Buyer revenues received by Seller, or a Unit’s Scheduling Coordinator, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Seller does not remit to Buyer, and Seller shall pay such revenues received by it to Buyer if the Unit’s Scheduling Coordinator, owner, or operator fails to remit those revenues to Buyer. If Seller or the Unit’s Scheduling Coordinator, owner, or operator (as applicable) fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues 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 resale in such market, and retain and receive any and all related revenues.

ARTICLE 5. CAISO OFFER REQUIREMENTS

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event other than a Non-Excusable Event, 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.

ARTICLE 6. GOVERNING LAW

Section 24 is deleted in its entirety and this Confirmation, including the provisions and requirements of the Tariff and the definition of the Product and its components, and any portion of the WSPP Agreement applicable to this Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of laws rules thereof.

ARTICLE 7. OTHER BUYER AND SELLER COVENANTS

7.1 Further Assurances

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 applicable RAR, LAR and Flexible RAR. Such commercially reasonable actions shall include, without limitation:

(a) 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 the applicable RAR, LAR, and Flexible RAR 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 CPUC, the CAISO, a LRA of competent jurisdiction, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, to demonstrate that the Contract Quantity can be delivered to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, pursuant to the “deliverability” standards established by the CAISO or other Governmental Body of competent jurisdiction; and
negotiating in good faith to make necessary amendments, if any, to this Confirmation, which are subject to agreement of such Parties, in each Party's sole discretion, to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, so as to maintain the purpose and intent of the Transaction agreed to by the Parties on the Confirmation Effective Date. The above notwithstanding, the Parties are aware that the CPUC and CAISO are considering changes to RAR and/or LAR in CPUC Rulemaking 11-10-023 and potentially other proceedings;

Provided, however, that "commercially reasonable actions" under this Section 7.1 shall not require the Seller, or the owner or operator of any Unit to undertake any capital improvements, facility enhancements, or the construction of new facilities.

**7.2 Seller Representations and Warranties**

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, the CAISO, the CPUC, a LRA of competent jurisdiction, 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 such third party's applicable RAR, LAR or Flexible RAR or analogous 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 or Flexible RAR, or analogous 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, in accordance with 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, RAR, LAR and Flexible RAR;

(g) If Seller is the owner of any Unit, the aggregation of all amounts of applicable LAR Attributes, RA Attributes and Flexible RA 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 Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR and Flexible RAR;

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

(j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each Unit's Scheduling Coordinator to provide to the Buyer, by the Notification Deadline, 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 Scheduling Coordinator that Buyer is entitled to the revenues set forth in Section 4.10 of this Confirmation, and such Scheduling Coordinator is obligated to promptly
deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

ARTICLE 8. CONFIDENTIALITY

In addition to the rights and obligations in the WSPP 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 of competent jurisdiction in order to support its applicable LAR, RAR or Flexible RAR Showings, if applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the Scheduling Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans.

ARTICLE 9. BUYER’S RE-SALE OF PRODUCT

Buyer may re-sell all or a portion of the Product hereunder, provided, however, that any such re-sale does not increase Seller’s obligations or liabilities hereunder.

ARTICLE 10. MARKET BASED RATE AUTHORITY

Upon Buyer’s written request, Seller shall, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, 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 shall 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.

ARTICLE 11. COLLATERAL REQUIREMENTS

Notwithstanding any provision in the WSPP Agreement to the contrary, neither Party shall be required to post collateral or other security for this Transaction.

ARTICLE 12. NO RECOURSE TO MEMBERS OF BUYER

Buyer is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Buyer will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Confirmation. Seller will have no rights and will not make any claims, take any actions or assert any remedies against any of Buyer’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of Buyer or Buyer’s constituent members, in connection with this Confirmation.

ARTICLE 13. COUNTERPARTS

This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to counterpart were upon a single instrument. Delivery of an executed signature page of this Confirmation by facsimile or electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature.
ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

By:  
Name:  
Title:  

MONTEREY BAY COMMUNITY POWER AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

By:  
Name:  
Title:  

By:  
Name:  
Title:  

By:  
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This confirmation letter ("Confirmation") confirms the Transaction between Party A and Party B, 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).

Delivery Period: January 1, 2019 through December 31, 2021.

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
(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 no later than fifteen (15) Business Days before the relevant deadlines 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 one Business Day of receipt of Seller’s notice and in writing, notifies Seller of any objections Buyer has to the proposed Shown Unit. If Buyer timely objects, Seller must identify another Shown Unit within five Business Days.

(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 fifteen (15) 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 five Business Days.

(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**

(a) 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, submit, or cause the Unit’s SC to submit, Supply Plans 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 in the Supply Plan submitted for the Unit.

(iii) Hold-Back Capacity, if any, is deemed Contract Quantity delivered.

(b) In accordance with Sections 2.2 and 2.3 and subject to Article 8, 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 **RA Replacement Capacity**

(a) Following Seller’s submission of a Supply Plan in accordance with Section 2.4(a)(i), if Buyer is responsible for providing RA Replacement Capacity for a Shown Unit, then Buyer shall provide Seller with written notice of the amount of RA Replacement Capacity by no later than twenty (20) days prior to the Showing Month.

(b) Following Buyer’s notice for RA Replacement Capacity, but no later than fifteen (15) days prior to the relevant deadline for Buyer’s Compliance Showing, Seller shall provide RA Replacement Capacity from one or more Units, such that the total amount of Product provided to Buyer from all Units equals the Contract Quantity. Seller’s notice designating a Replacement Unit under this Section 2.5 (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 Replacement Unit.
(c) Once Buyer has approved the designation of the Replacement Unit, then any such Replacement Unit shall be deemed a Unit for purposes of this Confirmation for that Showing Month.

(d) Notwithstanding anything to the contrary in this Confirmation, following Buyer’s written notice pursuant to Section 2.5(a), Seller’s failure to provide RA Replacement Capacity may result in the calculation of damages payable to Buyer under Section 2.6 and/or the indemnification of Buyer against any penalties, fines or costs under Section 2.7. In the event that Buyer does not provide written notice or such notice is not timely, to Seller as required under Section 2.5(a), then Seller shall have no liability with respect to any damages, penalties, fines or costs incurred.

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 or 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 and such failure results in the imposition of penalties, fines or costs assessed against Buyer with the exception of CAISO Capacity Procurement Mechanism costs, as described in Section 2.7(c).
(ii) A Unit’s SC’s failure to timely or accurately submit Supply Plans that identify Buyer’s right to the Contract Quantity purchased hereunder for each day of the Delivery Period.

(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 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, no later than sixty (60) days prior to the applicable Showing Month, as follows:

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

where:

- \( Q \) = The quantity of Product to be delivered by Seller to Buyer pursuant to and consistent with Section 2.4 for the Showing Month
- \( P \) = The Contract Price for the Showing Month, expressed in dollars per kw-month
- \( CF \) = The conversion factor equal to 1,000 kw per MW

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. Notwithstanding
the foregoing, in the event that the CPUC orders, pursuant to its Order Instituting Rulemaking for the Power Charge Indifference Adjustment (Rulemaking 17-06-026) or Resource Adequacy Program (Rulemaking 17-09-020), a capacity allocation approach for RA, such that the benefit of the bargain made by the Parties on the Confirmation Effective Date is no longer maintained, Buyer may terminate this Confirmation upon Notice to Seller within 10 business days of such CPUC meeting date adopting the CPUC order for such a capacity allocation. Such termination effective for the first delivery month in which the capacity allocation would be applicable, without penalty or further liability under this Confirmation to the Seller for Product not yet delivered and paid for.

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;

(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(c) 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 all terms and conditions of this Transaction to any Governmental Body, the CPUC, CAISO and the Procurement Review Group, 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
HOLDBACK AND SUBSTITUTE CAPACITY

No later than five (5) Business Days before the relevant deadline for the initial Compliance Showing with respect to a particular Showing Month, Buyer may request in writing that Seller not list, or cause the Unit’s SC not to list, in the Unit’s Supply Plan a portion or all of the Contract Quantity for any portion of such Showing Month included in the Delivery Period (“Hold-Back Capacity”). Following Buyer’s request for Hold-Back Capacity, Buyer may request in writing for Seller to utilize Hold-Back Capacity for Buyer’s use as Substitute Capacity by no later than thirteen (13) Business Days prior to the Showing Month. The amount of Contract Quantity that is the subject of Buyer’s request for Hold-Back Capacity shall be deemed Contract Quantity delivered consistent with Section 2.4 for purposes of calculating a Monthly Payment pursuant to Section 3.1 and calculating any amounts due pursuant to Section 2.6 or 2.7. Seller shall, or shall cause the Unit’s SC to, comply with Buyer’s request under this Article 8.
ARTICLE 9
COLLATERAL REQUIREMENTS

9.1 Buyer Collateral Requirements

Notwithstanding anything to the contrary contained in the Master Agreement, Buyer shall, within five (5) Business Days following the Confirmation Effective Date, provide to, and maintain with, Seller a Fixed Independent Amount as long as Buyer or its Guarantor, if any, does not maintain Credit Ratings of at least BBB- from S&P and Baa3 from Moody’s. The “Fixed Independent Amount” shall be \[ \text{Fixed Independent Amount} = \text{Monthly Payments for the current month} \times 10 \] of the sum of the Monthly Payments for the current month and all remaining months of the Delivery Period. For the purposes of calculating the Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, such Fixed Independent Amount for Buyer shall be added to the Exposure Amount for Seller and subtracted from the Exposure Amount for Buyer.

9.2 Seller Collateral Requirements

Section 8.1 of the Master Agreement, entitled “Party A Credit Protection”, and all corresponding provisions of (i) the Cover Sheet to Section 8.1 of the Master Agreement and (ii) the Collateral Annex with respect to such Section 8.1 and the applicable provisions thereto of Paragraph 10 to the Collateral Annex do not apply to this Confirmation.

9.3 Current Mark-to-Market Value

For the purposes of calculating Exposure pursuant to the Collateral Annex, the Current Mark-to-Market Value for this Transaction is deemed to be zero. If at any time prior to the expiration of the Delivery Period, a liquid market for the Product develops wherein price quotes for such a product can be obtained, the Parties agree to amend the Confirmation to include a methodology for calculating the Current Mark-to-Market Value for this Transaction, consequently affecting each Party's Exposure.

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, A CALIFORNIA JOINT POWERS AUTHORITY

By: [Signature]
Name: Girish Balachandran
Title: Chief Executive Officer
Date: 5/2/2018

PACIFIC GAS AND ELECTRIC COMPANY

By: [Signature]
Name: [Name]
Title: [Title]
Date: 5/3/18
APPENDIX A
DEFINED TERMS

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

“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.

“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.

“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 kW-month, 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.

“Hold-Back Capacity” is defined in Article 8.

“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.

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

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

“Resold Product” is defined in Section 2.8.

“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.

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

“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

RAR Product Attributes:

☐ RAR only (default)  ☑ RAR and FCR

Product Characteristics:

CAISO Zone: ___________________________ North ___________________________
MCC Bucket: ________ 4 ________
Flexible Category (if Flexible and System Product): No Preference

<table>
<thead>
<tr>
<th>Showing Month and Year</th>
<th>RAR Quantity (MW)</th>
<th>FCR Quantity, if any (MW)</th>
<th>Contract Price ($/kW-mo)</th>
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16
Local RAR Product Attributes:

- Local RAR and Local RAR, RAR, RAR and FCR

Product Characteristics:

CAISO Zone: ______________ North ______
MCC Bucket: ______________ 4 ______
CPUC Local Area: __________ Greater Bay Area ______
Flexible Category (if Flexible and Local Product): ______ N/A ______

Contract Quantity and Contract Price

<table>
<thead>
<tr>
<th>Showing Month and Year</th>
<th>Local RAR Quantity (MW)</th>
<th>FCR Quantity, if any (MW)</th>
<th>Contract Price ($/kW-mo)</th>
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</table>
Please note that if a particular local area or subarea was not identified in the Bid, PG&E may provide Local RA from any local area or subarea in the PG&E Local Areas.

☐ Local RAR and ☑ Local RAR, RAR, RAR and FCR

Product Characteristics:

CAISO Zone: __________________________ North __________________________
MCC Bucket: __________________________ 4
CPUC Local Area: __________________________ Other PG&E Area
Flexible Category (if Flexible and Local Product): ___ No Preference _______

Contract Quantity and Contract Price

<table>
<thead>
<tr>
<th>Showing Month and Year</th>
<th>Local RAR Quantity (MW)</th>
<th>FCR Quantity, if any (MW)</th>
<th>Contract Price ($/kW-mo)</th>
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Please note that if a particular local area or subarea was not identified in the Bid, PG&E may provide Local RA from any local area or subarea in the PG&E Local Areas.
APPENDIX C
SUPPLY PLAN INFORMATION

<table>
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<tr>
<th>Resource Capacity Contract Number</th>
<th>Resource ID in CAISO Master File</th>
<th>RA Capacity (MW 00.00 No Rounding)</th>
<th>RA Capacity Effective Start Date</th>
<th>RA Capacity Effective End Date</th>
<th>SCID of Load Serving Entity</th>
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Seller provides the Unit Information in accordance with Section 2.2.
## APPENDIX D
### SUBSEQUENT SALE INFORMATION

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<th>Description</th>
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<td>Benefitting LSE SCID:</td>
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<td>Flexible Volume (in MW):</td>
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<td>Term:</td>
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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 x1016
E-mail: dennis.dyconeel@svcleanenergy.org
Street: 333 W. El Camino Real, Suite 320

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

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

Wire Transfer:
BNK: River City Bank
ACCT Title: SVCE
ABA: [Redacted]
ACCT: [Redacted]
DUNS: 080462990
Federal Tax ID Number: 81-2158638

Credit and Collections:
Attn: SVCE Power Settlements

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: Tom Girlich (TAGG@pge.com)
Manager, Electric Settlements
Phone: (415) 973-9381

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: [Redacted]
ACCT: [Redacted]
DUNS: 556650034
Federal Tax ID Number: 94-0742640

Credit and Collections:
Attn: Credit Risk Management
(PGERiskCredit@pge.com)

Phone: (415) 972-5188

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)
Phone: (408)721-5301x1001
E-mail: girish@svcleanenergy.org

Senior Manager, Contract Management
Phone: (415) 973-8660

Supplemental Plan and Replacement Request:
EPP-RAFillingsMailbox@pge.com
APPENDIX F

FORM OF LETTER OF CREDIT

Issuing Bank Letterhead and Address

STANDBY LETTER OF CREDIT NO. XXXXXXX

Date: [insert issue date]

<table>
<thead>
<tr>
<th>Beneficiary:</th>
<th>[Insert name and address of Beneficiary]</th>
<th>Applicant:</th>
<th>[Insert name and address of Applicant]</th>
</tr>
</thead>
</table>

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, 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 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]
By: ______________________

Authorized Signature

Name: ______________________

[print or type name]

Title: ______________________
Exhibit A  SIGHT DRAFT

TO
[INSERT NAME AND ADDRESS OF PAYING BANK]

AMOUNT: $_________________________         DATE: _______________________

AT SIGHT OF THIS DEMAND PAY TO THE ORDER OF PACIFIC GAS AND ELECTRIC
COMPANY THE AMOUNT OF U.S.$________(________________ U.S. DOLLARS)

DRAWN UNDER [INSERT NAME OF ISSUING BANK] LETTER OF CREDIT NO. XXXXXX.

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

DRAWER

BY: ____________________________
NAME AND TITLE
MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER - RESOURCE ADEQUACY
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY
AND
MARIN CLEAN ENERGY

This Confirmation Letter ("Confirmation") confirms the Transaction between Silicon Valley Clean Energy Authority, a California joint powers authority ("Seller") and Marin Clean Energy, a California joint powers authority ("Buyer"), each individually a "Party" and together the "Parties", dated as of April 27, 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 Western System Power Pool Agreement, effective as of June 20, 2017, as amended from time to time (the "WSPP Agreement"). The WSPP 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 WSPP Agreement or the Tariff (defined herein below).

ARTICLE 1. DEFINITIONS

1.1 "Alternate Capacity" means any replacement Product which Seller has elected to provide to Buyer from a Replacement Unit 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 of competent jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.

1.3 "Availability Incentive Payments" has the meaning set forth in the Tariff.

1.4 "Availability Standards" shall mean the availability standards set forth in Section 40.9 of the Tariff.

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

1.6 "CAISO" means the California Independent System Operator Corporation 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 Section 4 of the WSPP 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 3.2 hereof.

1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified for such Monthly Delivery Period in the "RA Capacity Price Table" set forth 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, to the extent still applicable, 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 and subsequent decisions related to resource adequacy, as may be amended 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 (including any Alternate Capacity) for such Showing Month, minus (i) any reductions to Contract Quantity made by Seller pursuant to Section 4.4 and for which Seller has not elected to provide Alternate Capacity; and (ii) any reductions resulting from an event other than a Non-Excusable Event.

1.18 "Flexible RA Attributes" means any and all flexible resource adequacy attributes, as may be identified at any time during the Delivery Period by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward Flexible RAR, exclusive of any RA Attributes and LAR Attributes.

1.19 "Flexible RAR" means the flexible resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.20 "Flexible RAR Showing" means the Flexible RAR 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 of competent jurisdiction over the LSE.

1.21 "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.

1.22 "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 of competent jurisdiction over the LSE. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.

1.23 "LAR Attributes" means, with respect to a Unit, any and all local resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC, CAISO, LRA, or other Governmental Body of competent jurisdiction, associated with the physical location or point of electrical interconnection of such Unit within the CAISO Control Area, that can be counted toward LAR, exclusive of any RA Attributes and Flexible RA Attributes. 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 payments made pursuant to this Transaction.

1.24 "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 of competent jurisdiction over the LSE.

1.25 "Local RAR" means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent 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.

1.26 "LRA" means Local Regulatory Authority as defined in the Tariff.

1.27 "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).
1.28 "Monthly Delivery Period" means each calendar month during the Delivery Period and shall correspond to each Showing Month.

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

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

1.31 "Non-Excusable Event" means any event, other than a Planned Outage and those events described under the definition of "Service Schedule B Commitment Service" in the WSPP Agreement that excuse Seller's performance, that causes Seller to fail to perform its obligations under this Confirmation, including, without limitation, any such event resulting from (a) the negligence of the owner, operator or Scheduling Coordinator of a Unit, or (b) Seller's failure to comply, or failure to cause the owner, operator or Scheduling Coordinator of the Units to comply, with the terms of the Tariff with respect to the Units providing RA Attributes, Flexible RA Attributes or LAR Attributes, as applicable.

1.32 "Notification Deadline" has the meaning specified in Section 4.5 hereof.

1.33 "Outage" means any CAISO approved 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.

1.34 "Planned Outage" means, subject to and as further described in the CPUC Decisions, 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.

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

1.36 "RA 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 CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and Flexible RA Attributes.

1.37 "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR and, if applicable, LAR and Flexible RAR 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 RA Attributes, and if applicable, LAR Attributes and Flexible RA Attributes of the capacity provided by a Unit.

1.38 "RAR" means the resource adequacy requirements (other than Local RAR or Flexible RAR) established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.39 "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 CPUC Decisions, or to an LRA of competent jurisdiction.

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

1.41 "Replacement Unit" has the meaning specified in Section 4.5.

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

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

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

1.45 "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, 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.
"Supply Plan" means the supply plan, or similar or successor filing, that a Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other applicable Governmental Body pursuant to Applicable Laws in order for the RA Attributes or LAR Attributes of such RA Capacity to count.

"Tariff" means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time. For purposes of Art. 5, the Tariff refers to the tariff and protocol provisions of the CAISO as they exist on the Confirmation Effective Date.

"Transaction" for purposes of this Agreement means the Transaction that is evidenced by this Agreement.

"Unit" or "Units" shall mean the generation assets described in Art. 2 hereof (including any Replacement Units), from which RA Capacity is provided by Seller to Buyer.

"Unit EFC" means the effective flexible capacity that is or will be set by the CAISO for the applicable Unit.

"Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. The Parties agree that if the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, that 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, or (ii) the CAISO-adjusted Net Qualifying Capacity.

"WSPP Agreement" has the meaning specified in the introductory paragraph hereof.

**ARTICLE 2. UNIT INFORMATION**

<table>
<thead>
<tr>
<th>Name</th>
<th>Colgate Hydro Unit 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
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</tr>
<tr>
<td>CAISO Resource ID</td>
<td>COLGAT_7_UNIT 1</td>
</tr>
<tr>
<td>Unit SCID</td>
<td>YCWA</td>
</tr>
<tr>
<td>Unit NQC</td>
<td>Varies</td>
</tr>
<tr>
<td>Unit EFC</td>
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<tr>
<td>Resource Type</td>
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<tr>
<td>Resource Category (1, 2, 3 or 4)</td>
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<tr>
<td>Flexible RAR Category (1, 2 or 3)</td>
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<tr>
<td>Path 26 (North or South)</td>
<td>North</td>
</tr>
<tr>
<td>Local Capacity Area (if any, as of Confirmation Effective Date)</td>
<td>PG&amp;E Other</td>
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<tr>
<td>Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment</td>
<td>None</td>
</tr>
<tr>
<td>Run Hour Restrictions</td>
<td>None</td>
</tr>
</tbody>
</table>

**ARTICLE 3. RESOURCE ADEQUACY CAPACITY PRODUCT**

3.1 Resource Adequacy Capacity Product

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Agreement, the Designated RA Capacity in accordance with the product types selected in Section 3.2 (the "Product") and the Contract Quantity set forth in Section 4.3. The Product does not confer to Buyer any right to the electrical output from the Units. Rather, the Product confers the right to include the Designated RA Capacity in RAR Showings, LAR Showings, Flexible RAR Showings, if 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 any RA Capacity from a Unit in excess of that Unit’s Contract Quantity and any RA Attributes, LAR Attributes or Flexible RA Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.2 Product Type

☐ Flexible RA Product

The Designated RA Capacity is a Flexible RA Product. For avoidance of doubt, the Flexible RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[ ] FCR Attributes with LAR Attributes
[ ] FCR Attributes with RAR Attributes

☒ Generic RA Product

The Designated RA Capacity is a Generic RA Product. For avoidance of doubt, the Generic RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[ ] RAR Attributes
[X] LAR Attributes

3.3 Delivery Obligation

☒ Contingent Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units. If those Units are not available to provide the full amount of the Contract Quantity as a result of any Planned Outage of the Unit(s) and/or reduction in the Unit EFC or Unit NQC of such Unit, then, subject to Section 4.4, Seller shall have the option to notify Buyer in writing by the Notification Deadline that either (a) Seller will not provide the full Contract Quantity during the period of such non-availability; or (b) Seller will supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Buyer with the Contract Quantity as a result of a Non-Excusable Event and has failed to notify Buyer in writing by the Notification Deadline that it will not provide the full Contract Quantity during the period of such non-availability as provided in Section 4.4, then Seller shall be liable for damages and/or required to indemnify Buyer for any resulting penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof. Notwithstanding anything herein to the contrary, if Seller provides less than the full amount of the Contract Quantity (i) for any reason other than a Non-Excusable Event or (ii) in accordance with Section 4.4, Seller is not obligated to provide Buyer with Alternate Capacity or to indemnify Buyer for any resulting penalties or fines.

ARTICLE 4. DELIVERY AND PAYMENT

4.1 Delivery Period

The Delivery Period shall be: October 1, 2018, through December 31, 2018, 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 for each Monthly Delivery Period shall be:

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>COLGAT_7_UNIT 1 LAR Contract Quantity (MWs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>☐</td>
</tr>
<tr>
<td>November</td>
<td>☐</td>
</tr>
<tr>
<td>December</td>
<td>☐</td>
</tr>
</tbody>
</table>

4.4 Adjustments to Contract Quantity

(a) Planned Outages: If Seller is unable to provide the applicable Contract Quantity for a portion of a Showing Month due to a Planned Outage of a Unit, then Seller shall have the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to either (a) reduce the Contract Quantity in accordance with the Planned Outage for such portion of the Showing Month; or (b) provide Alternate Capacity up to the Contract Quantity for the applicable portion of such Showing Month.

(b) Invoice Adjustment: In the event that the Contract Quantity is reduced due to a Planned Outage as set forth in Section 4.4(a) above, then the invoice for such month(s) shall be adjusted to reflect a daily pro rata amount for the duration of such reduction.

(c) Reductions in Unit NQC and/or Unit EFC: Seller’s obligation to deliver the applicable Contract Quantity for any Showing Month may also be reduced by Seller if the Unit experiences a reduction in Unit NQC and/or Unit EFC as determined by the CAISO. If the Unit experiences such a reduction in Unit NQC and/or Unit EFC, then Seller has the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, 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) Alternate Capacity up to the Contract Quantity.

4.5 Notification Deadline and Replacement Units

(a) The “Notification Deadline” in respect of a Showing Month shall be ten (10) Business Days before the earlier of the relevant deadlines for (a) the corresponding RAR Showings, Flexible RAR Showings and/or LAR Showings for such Showing Month, and (b) the CAISO Supply Plan filings applicable to that Showing Month.

(b) If Seller desires to provide the Contract Quantity of Product for any Showing Month from a generating unit other than the Unit (a “Replacement Unit”), then Seller may, at no additional cost to Buyer, provide Buyer with Product from one or more Replacement Units, up to the Contract Quantity, for the applicable Showing Month; provided that in each case, Seller shall notify Buyer in writing of such Replacement Units no later than the Notification Deadline. 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 the remaining portion of that Showing Month.

(c) If Seller fails to provide Buyer the Contract Quantity of Product or Alternate Capacity for a given Showing Month during the Delivery Period, then (i) Buyer may, but shall not be required to, purchase Product from a third party; and (ii) 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 such failure is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4, or (B) an event other than a Non-Excusable Event.

4.6 Delivery of Product

(a) Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month.
(b) Seller shall submit, or cause the Unit's Scheduling Coordinator to submit, by the Notification Deadline (i) Supply Plans to the CAISO, LRA, or other applicable Governmental Body identifying and confirming the Designated RA Capacity to be provided to Buyer for the applicable Showing Month, unless Buyer specifically requests in writing that Seller not do so (it being understood that any Designated RA Capacity subject to such a request from Buyer will be deemed to have been provided to Buyer for all purposes under this Confirmation); and (ii) written confirmation to Buyer that Buyer will be credited with the Designated RA Capacity for such Showing Month per the Unit's Scheduling Coordinator Supply Plan.

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, and such failure is not excused under the terms of the Agreement, 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 RA Attributes, and, if applicable, LAR Attributes, and Flexible RA Attributes as the Designated RA Capacity not provided by Seller; provided, however, that if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having solely RA Attributes and no LAR Attributes or Flexible RA Attributes, and no such RA Capacity is available, then Buyer may replace such portion of the Designated RA Capacity with capacity having any applicable Flexible RA Attributes and/or LAR Attributes ("Replacement Capacity") by entering into purchase transactions with one or more third parties, including, without limitation, third parties who have purchased capacity from Buyer so long as such transactions are done at prevailing market prices. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.

(b) Seller shall pay to Buyer 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, and (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); minus (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 CAISO revenues or future amounts it may owe to Seller under this Confirmation pursuant to the WSPP Agreement.

4.8 Indemnities for Failure to Deliver Contract Quantity

Subject to any adjustments made pursuant to Section 4.4, Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, to the extent not otherwise paid by Seller to Buyer under Section 4.7(b), resulting from any of the following:

(a) Seller's failure to provide any portion of the Designated RA Capacity due to a Non-Excusable Event;

(b) Seller's failure to provide notice of the non-availability of any portion of Designated RA Capacity as required under Sections 3.2, 4.4 and 4.5; or

(c) A Unit Scheduling Coordinator's failure to timely 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 Section 9 of the WSPP Agreement with respect to each Showing Month, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit by the later of (i) ten (10) Calendar Days after Buyer’s receipt of Seller’s invoice and (ii) the twentieth (20th) of the month following the Monthly Delivery Period, or if the twentieth (20th) is not a Business Day the next following Business Day. 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, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be prorated to reflect any portion of Designated RA Capacity that was not delivered pursuant to Section 4.4 at the time of the CAISO filing for the respective Showing Month.

<table>
<thead>
<tr>
<th>RA CAPACITY PRICE TABLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Month</td>
</tr>
<tr>
<td>October</td>
</tr>
<tr>
<td>November</td>
</tr>
<tr>
<td>December</td>
</tr>
</tbody>
</table>

4.10 Allocation of Other Payments and Costs

Seller shall be entitled to receive and retain all revenues that Buyer is not expressly entitled to receive pursuant to this Agreement, including all revenues that Seller 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) revenue for ancillary services, (c) energy sales, (d) 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, Flexible RAR Showing, as may be applicable, 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. 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 (e) above). In accordance with Section 4.9 of this Confirmation, all such Buyer revenues received by Seller, or a Unit’s Scheduling Coordinator, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Seller does not remit to Buyer, and Seller shall pay such revenues received by it to Buyer if the Unit’s Scheduling Coordinator, owner, or operator fails to remit those revenues to Buyer. If Seller or the Unit’s Scheduling Coordinator, owner, or operator (as applicable) fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues 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 resale in such market, and retain and receive any and all related revenues.

ARTICLE 5. CAISO OFFER REQUIREMENTS

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event other than a Non-Excusable Event, 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.

ARTICLE 6. GOVERNING LAW

Section 24 is deleted in its entirety and this Confirmation, including the provisions and requirements of the Tariff and the definition of the Product and its components, and any portion of the WSPP Agreement applicable to this Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of laws rules thereof.

ARTICLE 7. OTHER BUYER AND SELLER COVENANTS

7.1 Further Assurances

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 applicable RAR, LAR and Flexible RAR. Such commercially reasonable actions shall include, without limitation:

(a) 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 the applicable RAR, LAR, and Flexible RAR 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 CPUC, the CAISO, a LRA of competent jurisdiction, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, to demonstrate that the Contract Quantity can be delivered to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, pursuant to the "deliverability" standards established by the CAISO or other Governmental Body of competent jurisdiction; and

(b) negotiating in good faith to make necessary amendments, if any, to this Confirmation, which are subject to agreement of such Parties, in each Party's sole discretion, to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, so as to maintain the purpose and intent of the Transaction agreed to by the Parties on the Confirmation Effective Date. The above notwithstanding, the Parties are aware that the CPUC and CAISO are considering changes to RAR and/or LAR in CPUC Rulemaking 11-10-023 and potentially other proceedings;

Provided, however, that "commercially reasonable actions" under this Section 7.1 shall not require the Seller, or the owner or operator of any Unit to undertake any capital improvements, facility enhancements, or the construction of new facilities.

7.2 Seller Representations and Warranties

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, the CAISO, the CPUC, a LRA of competent jurisdiction, 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 such third party's applicable RAR, LAR or Flexible RAR or analogous 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 or
Flexible RAR, or analogous 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, in accordance with 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, RAR, LAR and Flexible RAR;
(g) If Seller is the owner of any Unit, the aggregation of all amounts of applicable LAR Attributes, RA
Attributes and Flexible RA 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
Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating
to RA Capacity, RAR, LAR and Flexible RAR;
(i) Seller has notified the Scheduling Coordinator of each Unit that Seller has transferred the
Designated RA Capacity to Buyer, and the Scheduling Coordinator is obligated to deliver the
Supply Plans in accordance with the Tariff;
(j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each
Unit’s Scheduling Coordinator to provide to the Buyer, by the Notification Deadline, 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 Scheduling Coordinator that Buyer is entitled to the revenues set
forth in Section 4.10 of this Confirmation, and such Scheduling Coordinator is obligated to promptly
deliver those revenues to Buyer, along with appropriate documentation supporting the amount of
those revenues.

ARTICLE 8. CONFIDENTIALITY

In addition to the rights and obligations in the WSPP 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 of
competent jurisdiction in order to support its applicable LAR, RAR or Flexible RAR Showings, if applicable, and
Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the Scheduling
Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans.

ARTICLE 9. BUYER’S RE-SALE OF PRODUCT

Buyer may re-sell all or a portion of the Product hereunder; provided, however, that any such re-sale does not
increase Seller’s obligations or liabilities hereunder.

ARTICLE 10. MARKET BASED RATE AUTHORITY

Upon Buyer’s written request, Seller shall, in accordance with Federal Energy Regulatory Commission (FERC)
Order No. 697, 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 shall 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.

**ARTICLE 11. COLLATERAL REQUIREMENTS**

Notwithstanding any provision in the WSPP Agreement to the contrary, neither Party shall be required to post collateral or other security for this Transaction.

**ARTICLE 12. NO RECOURSE TO MEMBERS OF BUYER**

Buyer is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Buyer will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Confirmation. Seller will have no rights and will not make any claims, take any actions or assert any remedies against any of Buyer's constituent members, or the officers, directors, advisors, contractors, consultants or employees of Buyer or Buyer's constituent members, in connection with this Confirmation.

**ARTICLE 13. COUNTERPARTS**

This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to counterpart were upon a single instrument. Delivery of an executed signature page of this Confirmation by facsimile or electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature.

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

---

**SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY**

By: [Signature]

Name: Girish Balachandran

Title: Chief Executive Officer

---

**MARIN CLEAN ENERGY, A CALIFORNIA JOINT POWERS AUTHORITY**

By: [Signature]

Name: [Name]

Title: CEO
This Confirmation Letter ("Confirmation") confirms the Transaction between Marin Clean Energy, a California joint powers authority ("Seller") and Silicon Valley Clean Energy Authority, a California joint powers authority ("Buyer"), each individually a "Party" and together the "Parties", dated as of April 27, 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 Western System Power Pool Agreement, effective as of June 20, 2017, as amended from time to time (the "WSPP Agreement"). The WSPP 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 WSPP Agreement or the Tariff (defined herein below).

**ARTICLE 1. DEFINITIONS**

1.1 "Alternate Capacity" means any replacement Product which Seller has elected to provide to Buyer from a Replacement Unit 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 of competent jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.

1.3 "Availability Incentive Payments" has the meaning set forth in the Tariff.

1.4 "Availability Standards" shall mean the availability standards set forth in Section 40.9 of the Tariff.

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

1.6 "CAISO" means the California Independent System Operator Corporation 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 Section 4 of the WSPP 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 3.2 hereof.

1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified for such Monthly Delivery Period in the "RA Capacity Price Table" set forth 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, to the extent still applicable, 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, 12-06-035, 13-06-024, 14-06-050 and subsequent decisions related to resource adequacy, as may be amended 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 (including any Alternate Capacity) for such Showing Month, minus (i) any reductions to Contract Quantity made by Seller pursuant to Section 4.4 and for which Seller has not elected to provide Alternate Capacity; and (ii) any reductions resulting from an event other than a Non-Excusable Event.

1.18 "Flexible RA Attributes" means any and all flexible resource adequacy attributes, as may be identified at any time during the Delivery Period by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward Flexible RAR, exclusive of any RA Attributes and LAR Attributes.

1.19 "Flexible RAR" means the flexible resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.20 "Flexible RAR Showing" means the Flexible RAR 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 of competent jurisdiction over the LSE.

1.21 "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.

1.22 "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 of competent jurisdiction over the LSE. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.

1.23 "LAR Attributes" means, with respect to a Unit, any and all local resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC, CAISO, LRA, or other Governmental Body of competent jurisdiction, associated with the physical location or point of electrical interconnection of such Unit within the CAISO Control Area, that can be counted toward LAR, exclusive of any RA Attributes and Flexible RA Attributes. 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 payments made pursuant to this Transaction.

1.24 "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 of competent jurisdiction over the LSE.

1.25 "Local RAR" means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent 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.

1.26 "LRA" means Local Regulatory Authority as defined in the Tariff.

1.27 "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).
1.28 "Monthly Delivery Period" means each calendar month during the Delivery Period and shall correspond to each Showing Month.

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

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

1.31 "Non-Excusable Event" means any event, other than a Planned Outage and those events described under the definition of "Service Schedule B Commitment Service" in the WSPP Agreement that excuse Seller’s performance, that causes Seller to fail to perform its obligations under this Confirmation, including, without limitation, any such event resulting from (a) the negligence of the owner, operator or Scheduling Coordinator of a Unit, or (b) Seller’s failure to comply, or failure to cause the owner, operator or Scheduling Coordinator of the Units to comply, with the terms of the Tariff with respect to the Units providing RA Attributes, Flexible RA Attributes or LAR Attributes, as applicable.

1.32 "Notification Deadline" has the meaning specified in Section 4.5 hereof.

1.33 "Outage" means any CAISO approved 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.

1.34 "Planned Outage" means, subject to and as further described in the CPUC Decisions, 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.

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

1.36 "RA 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 CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and Flexible RA Attributes.

1.37 "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR and, if applicable, LAR and Flexible RAR 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 RA Attributes, and if applicable, LAR Attributes and Flexible RA Attributes of the capacity provided by a Unit.

1.38 "RAR" means the resource adequacy requirements (other than Local RAR or Flexible RAR) established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.

1.39 "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 CPUC Decisions, or to an LRA of competent jurisdiction.

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

1.41 "Replacement Unit" has the meaning specified in Section 4.5.

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

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

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

1.45 "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, 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.
1.46 "Supply Plan" means the supply plan, or similar or successor filing, that a Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other applicable Governmental Body pursuant to Applicable Laws in order for the RA Attributes or LAR Attributes of such RA Capacity to count.

1.47 "Tariff" means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time. For purposes of Article 5, the Tariff refers to the tariff and protocol provisions of the CAISO as they exist on the Confirmation Effective Date.

1.48 "Transaction" for purposes of this Agreement means the Transaction that is evidenced by this Agreement.

1.49 "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.

1.50 "Unit EFC" means the effective flexible capacity that is or will be set by the CAISO for the applicable Unit.

1.51 "Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. The Parties agree that if the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, that 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, or (ii) the CAISO-adjusted Net Qualifying Capacity.

1.52 "WSPP Agreement" has the meaning specified in the introductory paragraph hereof.
ARTICLE 2. UNIT INFORMATION

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<tr>
<th>Name</th>
<th>Topaz Solar Farms</th>
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<td>Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment</td>
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<td>Run Hour Restrictions</td>
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<td>None</td>
</tr>
<tr>
<td>Run Hour Restrictions</td>
<td>None</td>
</tr>
</tbody>
</table>

ARTICLE 3. RESOURCE ADEQUACY CAPACITY PRODUCT

3.1 Resource Adequacy Capacity Product

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Agreement, the Designated RA Capacity in accordance with the product types selected in Section 3.2 (the “Product”) and the Contract Quantity set forth in Section 4.3. The Product does not confer to Buyer any right to the electrical output from the Units. Rather, the Product confers the right to include the Designated RA Capacity in RAR Showings, LAR Showings, Flexible RAR Showings, if 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 any RA Capacity from a Unit in excess of that Unit's Contract Quantity and any RA Attributes, LAR Attributes or Flexible RA Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.2 Product Type

☐ Flexible RA Product

The Designated RA Capacity is a Flexible RA Product. For avoidance of doubt, the Flexible RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[ ] FCR Attributes with LAR Attributes
[ ] FCR Attributes with RAR Attributes

☒ Generic RA Product

The Designated RA Capacity is a Generic RA Product. For avoidance of doubt, the Generic RA Product to be delivered by Seller to Buyer hereunder, shall include the following Product attributes:

[X] RAR Attributes
[ ] LAR Attributes

3.3 Delivery Obligation

☒ Contingent Firm RA Product

Seller shall provide Buyer with Designated RA Capacity from the Units. If those Units are not available to provide the full amount of the Contract Quantity as a result of any Planned Outage of the Unit(s) and/or reduction in the Unit EFC or Unit NQC of such Unit, then, subject to Section 4.4, Seller shall have the option to notify Buyer in writing by the Notification Deadline that either (a) Seller will not provide the full Contract Quantity during the period of such non-availability; or (b) Seller will supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Buyer with the Contract Quantity as a result of a Non-Excusable Event and has failed to notify Buyer in writing by the Notification Deadline that it will not provide the full Contract Quantity during the period of such non-availability as provided in Section 4.4, then Seller shall be liable for damages and/or required to indemnify Buyer for any resulting penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof. Notwithstanding anything herein to the contrary, if Seller provides less than the full amount of the Contract Quantity (i) for any reason other than a Non-Excusable Event or (ii) in accordance with Section 4.4, Seller is not obligated to provide Buyer with Alternate Capacity or to indemnify Buyer for any resulting penalties or fines.

ARTICLE 4. DELIVERY AND PAYMENT

4.1 Delivery Period

The Delivery Period shall be: October 1, 2018, through December 31, 2018, 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 for each Monthly Delivery Period shall be:

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>TOPAZ_2_SOLAR RAR Contract Quantity (MWs)</th>
<th>COLUSA_2_PL1X3 RAR Contract Quantity (MWs)</th>
<th>Total RAR Contract Quantity (MWs)</th>
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<tbody>
<tr>
<td>October</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>November</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.4 Adjustments to Contract Quantity

(a) Planned Outages: If Seller is unable to provide the applicable Contract Quantity for a portion of a Showing Month due to a Planned Outage of a Unit, then Seller shall have the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to either (a) reduce the Contract Quantity in accordance with the Planned Outage for such portion of the Showing Month; or (b) provide Alternate Capacity up to the Contract Quantity for the applicable portion of such Showing Month.

(b) Invoice Adjustment: In the event that the Contract Quantity is reduced due to a Planned Outage as set forth in Section 4.4(a) above, then the invoice for such month(s) shall be adjusted to reflect a daily pro rata amount for the duration of such reduction.

(c) Reductions in Unit NQC and/or Unit EFC: Seller’s obligation to deliver the applicable Contract Quantity for any Showing Month may also be reduced by Seller if the Unit experiences a reduction in Unit NQC and/or Unit EFC as determined by the CAISO. If the Unit experiences such a reduction in Unit NQC and/or Unit EFC, then Seller has the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, 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) Alternate Capacity up to the Contract Quantity.

4.5 Notification Deadline and Replacement Units

(a) The “Notification Deadline” in respect of a Showing Month shall be ten (10) Business Days before the earlier of the relevant deadlines for (a) the corresponding RAR Showings, Flexible RAR Showings and/or LAR Showings for such Showing Month, and (b) the CAISO Supply Plan filings applicable to that Showing Month.

(b) If Seller desires to provide the Contract Quantity of Product for any Showing Month from a generating unit other than the Unit (a “Replacement Unit”), then Seller may, at no additional cost to Buyer, provide Buyer with Product from one or more Replacement Units, up to the Contract Quantity, for the applicable Showing Month; provided that in each case, Seller shall notify Buyer in writing of such Replacement Units no later than the Notification Deadline. 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 the remaining portion of that Showing Month.

(c) If Seller fails to provide Buyer the Contract Quantity of Product or Alternate Capacity for a given Showing Month during the Delivery Period, then (i) Buyer may, but shall not be required to, purchase Product from a third party; and (ii) 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 such failure is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4, or (B) an event other than a Non-Excusable Event.

4.6 Delivery of Product

(a) Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month.
(b) Seller shall submit, or cause the Unit’s Scheduling Coordinator to submit, by the Notification Deadline (i) Supply Plans to the CAISO, LRA, or other applicable Governmental Body identifying and confirming the Designated RA Capacity to be provided to Buyer for the applicable Showing Month, unless Buyer specifically requests in writing that Seller not do so (it being understood that any Designated RA Capacity subject to such a request from Buyer will be deemed to have been provided to Buyer for all purposes under this Confirmation); and (ii) written confirmation to Buyer that Buyer will be credited with the Designated RA Capacity for such Showing Month per the Unit’s Scheduling Coordinator Supply Plan.

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, and such failure is not excused under the terms of the Agreement, 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 RA Attributes, and, if applicable, LAR Attributes, and Flexible RA Attributes as the Designated RA Capacity not provided by Seller; provided, however, that if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having solely RA Attributes and no LAR Attributes or Flexible RA Attributes, and no such RA Capacity is available, then Buyer may replace such portion of the Designated RA Capacity with capacity having any applicable Flexible RA Attributes and/or LAR Attributes (“Replacement Capacity”) by entering into purchase transactions with one or more third parties, including, without limitation, third parties who have purchased capacity from Buyer so long as such transactions are done at prevailing market prices. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.

(b) Seller shall pay to Buyer 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, and (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); minus (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 CAISO revenues or future amounts it may owe to Seller under this Confirmation pursuant to the WSPP Agreement.

4.8 Indemnities for Failure to Deliver Contract Quantity

Subject to any adjustments made pursuant to Section 4.4, Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, to the extent not otherwise paid by Seller to Buyer under Section 4.7(b), resulting from any of the following:

(a) Seller’s failure to provide any portion of the Designated RA Capacity due to a Non-Excusable Event;

(b) Seller’s failure to provide notice of the non-availability of any portion of Designated RA Capacity as required under Sections 3.2, 4.4 and 4.5; or

(c) A Unit Scheduling Coordinator’s failure to timely 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 Section 9 of the WSPP Agreement with respect to each Showing Month, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit by the later of (i) ten (10) Calendar Days after Buyer's receipt of Seller's invoice and (ii) the twentieth (20th) of the month following the Monthly Delivery Period, or if the twentieth (20th) is not a Business Day the next following Business Day. 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, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be prorated to reflect any portion of Designated RA Capacity that was not delivered pursuant to Section 4.4 at the time of the CAISO filing for the respective Showing Month.

<table>
<thead>
<tr>
<th>RA CAPACITY PRICE TABLE</th>
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</thead>
<tbody>
<tr>
<td>Contract Month</td>
</tr>
<tr>
<td>October</td>
</tr>
<tr>
<td>November</td>
</tr>
<tr>
<td>December</td>
</tr>
</tbody>
</table>

4.10 Allocation of Other Payments and Costs

Seller shall be entitled to receive and retain all revenues that Buyer is not expressly entitled to receive pursuant to this Agreement, including all revenues that Seller 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) revenue for ancillary services, (c) energy sales, (d) 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, Flexible RAR Showing, as may be applicable, 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. 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 (e) above. In accordance with Section 4.9 of this Confirmation, all such Buyer revenues received by Seller, or a Unit's Scheduling Coordinator, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Seller does not remit to Buyer, and Seller shall pay such revenues received by it to Buyer if the Unit's Scheduling Coordinator, owner, or operator fails to remit those revenues to Buyer. If Seller or the Unit's Scheduling Coordinator, owner, or operator (as applicable) fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues 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 resale in such market, and retain and receive any and all related revenues.

ARTICLE 5. CAISO OFFER REQUIREMENTS

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event other than a Non-Excusable Event, 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.

ARTICLE 6. GOVERNING LAW

Section 24 is deleted in its entirety and this Confirmation, including the provisions and requirements of the Tariff and the definition of the Product and its components, and any portion of the WSPP Agreement applicable to this Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of laws rules thereof.

ARTICLE 7. OTHER BUYER AND SELLER COVENANTS

7.1 Further Assurances

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 applicable RAR, LAR and Flexible RAR. Such commercially reasonable actions shall include, without limitation:

(a) 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 the applicable RAR, LAR, and Flexible RAR 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 CPUC, the CAISO, a LRA of competent jurisdiction, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, to demonstrate that the Contract Quantity can be delivered to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, pursuant to the “deliverability” standards established by the CAISO or other Governmental Body of competent jurisdiction; and

(b) negotiating in good faith to make necessary amendments, if any, to this Confirmation, which are subject to agreement of such Parties, in each Party’s sole discretion, to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, so as to maintain the purpose and intent of the Transaction agreed to by the Parties on the Confirmation Effective Date. The above notwithstanding, the Parties are aware that the CPUC and CAISO are considering changes to RAR and/or LAR in CPUC Rulemaking 11-10-023 and potentially other proceedings;

Provided, however, that “commercially reasonable actions” under this Section 7.1 shall not require the Seller, or the owner or operator of any Unit to undertake any capital improvements, facility enhancements, or the construction of new facilities.

7.2 Seller Representations and Warranties

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, the CAISO, the CPUC, a LRA of competent jurisdiction, 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 such third party’s applicable RAR, LAR or Flexible RAR or analogous 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 or Flexible RAR, or analogous 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, in accordance with 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, RAR, LAR and Flexible RAR;

(g) If Seller is the owner of any Unit, the aggregation of all amounts of applicable LAR Attributes, RA Attributes and Flexible RA 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 Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR and Flexible RAR;

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

(j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each Unit's Scheduling Coordinator to provide to the Buyer, by the Notification Deadline, 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 Scheduling Coordinator that Buyer is entitled to the revenues set forth in Section 4.10 of this Confirmation, and such Scheduling Coordinator is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

ARTICLE 8. CONFIDENTIALITY

In addition to the rights and obligations in the WSPP 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 of competent jurisdiction in order to support its applicable LAR, RAR or Flexible RAR Showings, if applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the Scheduling Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans.

ARTICLE 9. BUYER'S RE-SALE OF PRODUCT

Buyer may re-sell all or a portion of the Product hereunder; provided, however, that any such re-sale does not increase Seller's obligations or liabilities hereunder.

ARTICLE 10. MARKET BASED RATE AUTHORITY

Upon Buyer's written request, Seller shall, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, 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 shall 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.

ARTICLE 11. COLLATERAL REQUIREMENTS

Notwithstanding any provision in the WSPP Agreement to the contrary, neither Party shall be required to post collateral or other security for this Transaction.

ARTICLE 12. NO RECOURSE TO MEMBERS OF BUYER

Buyer is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Buyer will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Confirmation. Seller will have no rights and will not make any claims, take any actions or assert any remedies against any of Buyer’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of Buyer or Buyer’s constituent members, in connection with this Confirmation.

ARTICLE 13. COUNTERPARTS

This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to counterparty were upon a single instrument. Delivery of an executed signature page of this Confirmation by facsimile or electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature.

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

<table>
<thead>
<tr>
<th>MARIN CLEAN ENERGY, A CALIFORNIA JOINT POWERS AUTHORITY</th>
<th>SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY</th>
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<tbody>
<tr>
<td>By: [Signature]</td>
<td>By: [Signature]</td>
</tr>
<tr>
<td>Name: Demian Weiss</td>
<td>Name: Girish Balachandran</td>
</tr>
<tr>
<td>Title: CEO</td>
<td>Title: Chief Executive Officer</td>
</tr>
</tbody>
</table>
EEI MASTER POWER PURCHASE AND SALE AGREEMENT
SHORT TERM SALES CONFIRMATION
BETWEEN
PACIFIC GAS AND ELECTRIC COMPANY
AND
SILICON VALLEY CLEAN ENERGY AUTHORITY

This confirmation (“Confirmation”) confirms the transaction (“Transaction”) between Pacific Gas and Electric Company, a California corporation, but limited for all purposes hereunder to its electric procurement and electric fuels functions (“Seller”, “PG&E” or “Party B”), and Silicon Valley Clean Energy Authority, a California Joint Powers Authority (“Buyer” or “Party A”), each individually a “Party” and together the “Parties”, effective as of the Execution Date, for the sale and purchase of the Product defined herein.

Except as otherwise expressly stated herein, this Confirmation is subject to, and incorporates by reference with the same force and effect as if set forth herein, all of the terms and provisions of the Parties’ EEI Master Power Purchase and Sale Agreement, together with the Cover Sheet, dated as of 10/26/2017 (collectively, “Master Agreement”), and the corresponding Collateral Annex and Paragraph 10 to the Collateral Annex thereto. Such Collateral Annex and Paragraph 10 to the Collateral Annex shall be referred to collectively herein as the “Collateral Annex”. The Master Agreement and the Collateral Annex shall be referred to collectively herein as the “EEI Agreement”. The EEI Agreement and this Confirmation shall be referred to collectively herein as the “Agreement.”

Capitalized terms used but not defined in this Confirmation shall have the meanings ascribed to them in the EEI Agreement, the RPS (defined herein), or the Tariff (defined herein). If there is a conflict between the terms in this Confirmation and those in the EEI Agreement, this Confirmation shall control.

[Standard contract terms and conditions shown in shaded text are those that “may not be modified” per CPUC Decisions (“D.”) 07-11-025; D.10-03-021, as modified by D.11-01-025; and D.13-11-024.]

<table>
<thead>
<tr>
<th>Seller: Pacific Gas and Electric Company, limited for all purposes hereunder to its electric procurement and electric fuels functions</th>
<th>Buyer: Silicon Valley Clean Energy Authority</th>
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<tbody>
<tr>
<td><strong>Contact Information:</strong></td>
<td><strong>Name:</strong> Silicon Valley Clean Energy Authority (“Buyer” or “Party A”)</td>
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<td></td>
<td><strong>Name:</strong> Pacific Gas and Electric Company, limited for all purposes hereunder to its electric procurement and electric fuels functions (“Seller”, “PG&amp;E” or “Party B”)</td>
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<tr>
<td><strong>All Notices:</strong> P.O. Box 770000, Mail Code N12E San Francisco, CA 94177 Attn: Candice Chan Director, Energy Contract Management &amp; Settlements Phone: (415) 973-7780 E-mail: <a href="mailto:CWW9@pge.com">CWW9@pge.com</a></td>
<td><strong>All Notices:</strong> 333 W. El Camino Real, Suite 290 Sunnyvale, CA 94087 (408)721-5301 Attn: Girish Balachandran, CEO Phone: 408-721-5301 Email: <a href="mailto:girish@svcleanenergy.org">girish@svcleanenergy.org</a></td>
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<td><strong>Invoices:</strong></td>
<td><strong>Invoices:</strong></td>
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| Attn: Amol Patel  
Senior Manager, Electric Settlements  
Phone: (415) 973-6510  
Email: AXPX@pge.com | Attn: Power Supply group  
Phone: 408-721-531  
Email: SVCEpowersettlements@svcleanenergy.org |

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<tr>
<th><strong>Scheduling:</strong></th>
<th><strong>Scheduling:</strong></th>
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| Attn: Day-Ahead Scheduling  
Phone: (415) 973-6222  
Email: DAEnergy@pge.com | Attn: ZGlobal  
Phone: 916-221-4327  
Email: eric@zglobal.biz |

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<tr>
<th><strong>Payments:</strong></th>
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| Attn: Amol Patel  
Senior Manager, Electric Settlements  
Phone: (415) 973-6510  
Email: AXPX@pge.com | Attn: Finance Group  
Phone: 408-721-5301  
Email: SVCEpowersettlements@svcleanenergy.org |

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<tr>
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<td><strong>Credit and Collections:</strong></td>
<td><strong>Credit and Collections:</strong></td>
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</table>
| Attn: Manager, Credit Risk Management  
Phone: (415) 972-5188  
Email: PGERiskCredit@pge.com | Attn: Finance Group  
Phone: 408-721-5301  
Email: SVCEpowersettlements@svcleanenergy.org |

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<tr>
<th><strong>Collateral:</strong></th>
<th><strong>Collateral:</strong></th>
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| Attn: Finance Group  
Phone: 408-721-5301  
E-mail:  
SVCEpowersettlements@svcleanenergy.org | |

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<tr>
<th><strong>Defaults:</strong></th>
<th><strong>Defaults:</strong></th>
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</table>
| With additional Notices of an Event of Default or Potential Event of Default to:  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B30A  
San Francisco, CA 94105  
Attn: Legal Department | With additional Notices of an Event of Default or Potential Event of Default to:  
Troutman Sanders LLP  
Address: 100 SW Main St. Ste. 1000  
Portland, OR 97204  
Attn: Stephen Hall  
Phone: 503-290-2336 |
**ARTICLE 1**
**COMMERCIAL TERMS**

<table>
<thead>
<tr>
<th>Seller: PACIFIC GAS AND ELECTRIC COMPANY, limited for all purposes hereunder to its electric procurement and electric fuels functions</th>
<th>Buyer: SILICON VALLEY CLEAN ENERGY AUTHORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product:</strong> The Product shall consist of Electric Energy and associated Green Attributes from the Project, as further described and subject to the provisions herein.</td>
<td></td>
</tr>
<tr>
<td><strong>Project:</strong> All Product sold hereunder shall be generated by the facility or facilities that are listed in Appendix A to this Confirmation or identified pursuant to Section 8.2 herein and that are not a biomass or geothermal resource (“Project”). Seller shall have sole discretion throughout the Term to designate and re-designate, as applicable, the Project by selecting one or more of the facilities from Appendix A or pursuant to Section 8.2 herein. Buyer shall not be entitled to, and shall not receive, any amount of Green Attributes produced by the Project that is in excess of the Total Quantity. Buyer shall not be entitled to, and shall not receive, any amount of Electric Energy produced by the Project that is in excess of the Energy Quantity.</td>
<td></td>
</tr>
<tr>
<td><strong>Quantity:</strong> (a) For Green Attributes: “Total Quantity”, with respect to an applicable year, shall be equal to those volumes of Green Attributes specified for that applicable year in the Delivery Term Quantity Schedule set forth below and shall be conveyed during the Green Attributes Delivery Period to Buyer as provided herein. (b) For Electric Energy: “Energy Quantity”, with respect to an applicable year, shall be equal to those volumes of Electric Energy specified for that applicable year in the Delivery Term Quantity Schedule set forth below and shall be delivered during the Energy Delivery Period to Buyer as provided herein.</td>
<td></td>
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</tbody>
</table>
## Delivery Term Quantity Schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>Green Attributes (MWh)</th>
<th>Electric Energy (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
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<tr>
<td>2020</td>
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<tr>
<td>2021</td>
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### Energy Price:
The Energy Price shall mean the Index Price for each MWh of Delivered Energy delivered to Buyer under this Agreement.

### Green Attributes Price:
The Green Attributes Price shall mean, with respect to an applicable year, that price in dollars for each MWh of Green Attributes conveyed to Buyer under this Agreement as specified in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Green Attributes Price ($)</th>
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<tbody>
<tr>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
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<tr>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>2021</td>
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### Term of Transaction:
Except as otherwise provided herein, the term of the Transaction shall commence upon the Execution Date and shall continue until the end of the Delivery Term and the satisfaction of all other obligations of the Parties under this Agreement (“Term”).

This Confirmation, and the Transaction and Term hereunder, shall terminate early in the event of a failure to satisfy the Green Attributes Condition Precedent defined below or as otherwise provided in the Agreement.

Termination because of a failure to satisfy the Green Attributes Condition Precedent shall terminate all of the Parties’ obligations under the Confirmation as of the Transaction Termination Date as provided in Section 4.2, except for the Parties’ confidentiality obligations under Article 9 herein.

### Credit Requirements:
(a) This Confirmation’s credit requirements for the Electric Energy portion of the Product shall be governed by the EEI Agreement.

(b) This Confirmation’s credit requirements for the Green Attributes portion of the Product shall apply as specified below:

   The Exposure Amount for the Green Attributes portion of the Product shall be equal to the product of the following: \( \text{Green Attributes Price} \times \text{Volume} \times \text{Green Attributes Price} \).

(c) Section 8.1 of the EEI Agreement, entitled “Party A Credit Protection”, and all corresponding provisions of (i) the Cover Sheet to Section 8.1 of the EEI Agreement and (ii) the Collateral Annex with respect to such Section 8.1 and the applicable provisions thereto of Paragraph 10 to the Collateral Annex do not apply to this Confirmation.
### Delivery Term:
The “Delivery Term” shall consist of both the Energy Delivery Period and the Green Attributes Delivery Period.

### Energy Delivery Period:
Subject to the satisfaction, or waiver in writing by both Parties, of the Green Attributes Condition Precedent, the “Energy Delivery Period” shall (1) commence as of the later of 05/01/2018 and that date upon which CPUC Approval occurs, and (2) end on the earlier of the conclusion of hour ending 2400 (PPT) on 12/31/2021 and that date upon which the amount of Electric Energy delivered by Seller satisfies the Energy Quantity.

### Green Attributes Delivery Period:
Subject to the satisfaction, or waiver in writing by both Parties, of the Green Attributes Condition Precedent, the “Green Attributes Delivery Period” shall commence on the first day that Seller conveys Green Attributes to Buyer and shall end on that date upon which the amount of Green Attributes conveyed to Buyer satisfies the Total Quantity.

Seller shall convey Green Attributes to Buyer in the form of WREGIS Certificates. Seller shall transfer WREGIS Certificates into Buyer’s WREGIS account in an amount required to satisfy the Total Quantity.

### Delivery Point:
The “Delivery Point” where Buyer shall take possession of the Electric Energy shall be NP15.

### Scheduling Obligations:
Seller, or a qualified third party designated by Seller, shall act as Scheduling Coordinator for the Project. Buyer hereby authorizes Seller, or its third party Scheduling Coordinator designee, to deliver the Electric Energy to the CAISO at the Delivery Point as an agent on Buyer’s behalf.

### Condition Precedent to the Green Attributes Obligations:
Notwithstanding any other provision of this Confirmation to the contrary, all of the Parties’ obligations except for the Parties’ confidentiality obligations under Article 9 herein, are conditioned upon (a) PG&E’s receipt, or the Parties’ written waiver, of CPUC Approval as defined below; and (b) PG&E’s receipt of the Performance Assurance from Buyer no later than five (5) Business Days following PG&E’s Notice to Buyer of CPUC Approval (defined below) (collectively, “Green Attributes Condition Precedent”).

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**ARTICLE 2 DEFINITIONS**

2.1 “Balancing Authority” has the meaning set forth in the CAISO Tariff.

2.2 “Balancing Authority Area” has the meaning set forth in the CAISO Tariff.

2.3 “Broker or Index Quotes” means quotations solicited or obtained in good faith from (a) regularly published and widely-distributed daily forward price assessments from a broker that is not an Affiliate of either Party and who is actively participating in markets for the relevant Products or (b) end-of-day prices for the relevant Products published by exchanges which transact in the relevant markets.

2.4 “Business Day” means all calendar days other than those days on which the Federal Reserve member banks in New York City are authorized or required by law to be closed, and shall be between the hours of 8:00 a.m. and 5:00 p.m. Pacific Prevailing Time for the relevant Party’s principal place of business where the relevant Party, in each instance unless otherwise specified, shall be the Party.
from whom the Notice, payment or delivery is being sent and by whom the Notice or payment or delivery
is to be received.

2.5 “CAISO” means the California Independent System Operator Corporation or any
successor entity performing similar functions.

2.6 “CAISO Grid” has the same meaning as “CAISO Controlled Grid” as defined in the
CAISO Tariff.

2.7 “California Renewables Portfolio Standard” or “RPS” means the renewable energy
program and policies established by California State Senate Bills 1078, X1 - 2 and 350, codified in
California Public Utilities Code Sections 399.11 through 399.32 and California Public Resources Code
Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

2.8 “CARB” means the California Air Resources Board or its successor agency.

2.9 “CEC” means the California Energy Commission or its successor agency.

2.10 “Contract Price” means the Energy Price plus the Green Attributes Price.

2.11 “CPUC” means the California Public Utilities Commission or its successor entity.

2.12 “CPUC Approval” means a final and non-appealable order of the CPUC, without
conditions or modifications unacceptable to the Parties, or either of them, which contains the following
terms:

(a) approves this Agreement in its entirety, including payments to be made by the Buyer,
subject to CPUC review of the Buyer's administration of the Agreement; and

(b) finds that any procurement pursuant to this Agreement is procurement from an eligible
renewable energy resource for purposes of determining Buyer's compliance with any obligation
that it may have to procure eligible renewable energy resources pursuant to the California
Renewables Portfolio Standard (Public Utilities Code Section 399.11 et seq.),
Decision 03-06-071, or other applicable law.

CPUC Approval will be deemed to have occurred on the date that a CPUC decision containing
such findings becomes final and non-appealable.

For the purpose of this Section 2.12, a CPUC Energy Division disposition which contains such
findings, or deems approved an advice letter requesting such findings, shall be deemed to satisfy the
CPUC decision requirement set forth above.

Also, for the purpose of this Section 2.12 only, the references therein to “Buyer” shall mean
“PG&E”.

2.13 “Credit Rating” means, with respect to any entity, (a) the rating then assigned to such
entity’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements),
or (b) if such entity does not have a rating for its unsecured, senior long-term debt obligations, then the
rating assigned to such entity as an issuer rating by S&P and/or Moody’s. If the entity is rated by both
S&P and Moody’s and such ratings are not equivalent, the lower of the two ratings shall determine the
Credit Rating. If the entity is rated by either S&P or Moody’s, but not both, then the available rating shall determine the Credit Rating.

2.14 “Delivered Energy” means the Electric Energy from the Project that is delivered by Seller to Buyer at the Delivery Point.

2.15 “Electric Energy” means three-phase, 60-cycle alternating current electric energy measured in MWh and net of auxiliary loads and station electrical uses (unless otherwise specified).

2.16 “Eligible Renewable Energy Resource” or “ERR” has the meaning set forth in California Public Utilities Code Section 399.12 and California Public Resources Code Section 25741, as either code provision is amended or supplemented from time to time.

2.17 “Execution Date” means the latest signature date found on the signature page of this Agreement.

2.18 “Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (a) the loss of Buyer’s markets; (b) Buyer’s inability economically to use or resell the Product purchased hereunder; (c) the loss or failure of Seller’s supply unless caused by a force majeure event at the Project; or (d) Seller’s ability to sell the Product at a price greater than the Contract Price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Product to be delivered to or received at the Delivery Point and (ii) such curtailment is due to “force majeure” or “uncontrollable force” or a similar term as defined under the Transmission Provider’s tariff; provided, however, that existence of the two foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in the first sentence hereof has occurred.

2.19 “Governmental Authority” means any federal, state, local or municipal government, governmental department, commission, board, bureau, agency, or instrumentality, or any judicial, regulatory or administrative body, having jurisdiction as to the matter in question.

2.20 “Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (a) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (b) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by Law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (c) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state Law, if applicable.

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1 Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.
and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local Law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Electric Energy. Green Attributes do not include (i) any Electric Energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the Project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

2.21 “Index Price” means the Trading Hub price (as defined in the CAISO Tariff) associated with the Delivered Energy to the Delivery Point for each applicable hour as published by the CAISO on the CAISO website or any successor thereto, unless a substitute publication and/or index is mutually agreed to by the Parties.

2.22 “Law” means any statute, law, treaty, rule, regulation, CEC guidance document, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Execution Date, and which becomes effective after the Execution Date; or any binding interpretation of the foregoing. For the purposes of the definition of “CPUC Approval” in Section 2.12 and Sections 6.1(a), 6.1(b) and 8.3(b) in this Confirmation, the term “law” shall have the meaning set forth in this definition.

2.23 “Letter of Credit” means an irrevocable, non-transferable, standby letter of credit the form of which shall be substantially as contained in Appendix B to this Agreement; provided that, if the issuer is a U.S. branch of a foreign commercial bank, the intended beneficiary may require changes to such form; and the issuer must be a Qualified Institution on the date of delivery of the Letter of Credit to the Secured Party. In case of a conflict of this definition with any other definition of “Letter of Credit” contained in the EEI Agreement or any exhibit or annex thereto, this definition shall supersede any such other definition for purposes of the Transaction to which this Agreement applies.

2.24 “Market Quotation Average Price” means the arithmetic mean of the quotations solicited in good faith from not less than three (3) Reference Market-Makers (as hereinafter defined); provided, however, that the Party obtaining the quotes shall use reasonable efforts to obtain good faith quotations from at least five (5) Reference Market-Makers and, if at least five (5) such quotations are obtained, the Market Quotation Average Price shall be determined by disregarding the highest and lowest quotations and taking the arithmetic mean of the remaining quotations. The quotations shall be based on the offers to sell or bids to buy, as applicable, obtained for transactions substantially similar to each Terminated Transaction. The quote must be obtained assuming that the Party obtaining the quote will provide sufficient credit support for the proposed transaction. Each quotation shall be obtained, to the extent reasonably practicable, as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the Party obtaining the quotations and in accordance with the Notice provided pursuant to Section 5.2 of the EEI Agreement, which designates the
Early Termination Date. If fewer than three quotations are obtained, it will be deemed that the Market Quotations Average Price in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined. For purposes of this Section 2.24, “Reference Market-Maker” means a leading dealer in the relevant market selected by a Party determining its exposure in good faith from among dealers of the highest credit standing which satisfy all the criteria that such Party applies generally at the time in deciding whether to offer or to make an extension of credit.

2.25 “Notice” means written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, or electronic messaging (e-mail). The contacts table of this Confirmation contains the names and addresses to be used for Notices.

2.26 “Qualified Institution” means either a U.S. commercial bank, or a U.S. branch of a foreign bank acceptable to the Beneficiary Party in its sole discretion; and in each case such bank must (i) have a Credit Rating of at least: (a) “A-, with a stable designation” from S&P and “A3, with a stable designation” from Moody’s, if such bank is rated by both S&P and Moody’s; or (b) “A-, with a stable designation” from S&P or “A3, with a stable designation” from Moody’s, if such bank is rated by either S&P or Moody’s, but not both, even if such bank was rated by both S&P and Moody’s as of the date of issuance of the Letter of Credit but ceases to be rated by either, but not both of those ratings agencies, and (ii) have assets of at least $10 billion US Dollars.

2.27 “Real-Time Market” has the meaning set forth in the Tariff and shall include any market that CAISO may establish prior to or during the Term that clears at an interval between the Day-Ahead Market and the Real-Time Market.

2.28 “Renewable Energy Credit” or “REC” has the meaning set forth in California Public Utilities Code Section 399.12(h) and CPUC Decision 08-08-028, as may be amended from time to time or as further defined or supplemented by Law.

2.29 “Replacement Price” means the price at which Buyer, acting in a commercially reasonable manner, purchases for delivery at the Delivery Point a replacement for any Product specified in a Transaction but not delivered by Seller, plus (a) costs reasonably incurred by Buyer in purchasing such substitute Product and (b) additional transmission charges, if any, reasonably incurred by Buyer to the Delivery Point, or absent a purchase, the market price at the Delivery Point for such Product not delivered as determined by Buyer in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Buyer be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Seller’s liability. For the purposes of this definition, Buyer shall be considered to have purchased replacement Product to the extent Buyer shall have entered into one or more arrangements in a commercially reasonable manner whereby Buyer repurchases its obligation to sell and deliver the Product to another party at the Delivery Point.

2.30 “Sales Price” means the price at which Seller, acting in a commercially reasonable manner, resells any Product not received by Buyer, deducting from such proceeds any (a) costs reasonably incurred by Seller in reselling such Product and (b) additional transmission charges, if any, reasonably incurred by Seller in delivering such Product to the third party purchasers, or absent a sale, the market price at the Delivery Point for such Product not received as determined by Seller in a commercially reasonable manner; provided, further, that in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Seller be required to utilize or change its utilization of its owned or controlled assets, including contractual assets, or market positions to minimize Buyer’s liability. For purposes of this definition, Seller shall be considered to have resold such Product to the extent Seller shall have entered into one or more arrangements in a commercially reasonable manner.
whereby Seller repurchases its obligation to purchase and receive the Product from another party at the Delivery Point.

2.31 “Tariff” means the CAISO Fifth Replacement FERC Electric Tariff and protocol provisions, including any CAISO-published procedures or business practice manuals, as they may be amended, supplemented or replaced (in whole or in part) from time to time.

2.32 “Transactions” as used in the EEI Agreement shall mean the “Transaction” as defined in the preamble above.

2.33 “WREGIS” means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

2.34 “WREGIS Certificate” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard.

2.35 “WREGIS Operating Rules” means the operating rules and requirements adopted by WREGIS.

**ARTICLE 3**

CONVEYANCE OF ELECTRIC ENERGY AND GREEN ATTRIBUTES

3.1 **Seller’s Delivery of Electric Energy.**

Subject to the terms and conditions of this Agreement, beginning on the first day of the Energy Delivery Period and continuing until the last day of the Energy Delivery Period, Seller shall deliver and sell, and Buyer shall purchase and receive, the Delivered Energy.

3.2 **Seller’s Conveyance of Green Attributes.**

(a) **Green Attributes.** Subject to the terms and conditions of this Agreement, beginning on the first day of the Green Attributes Delivery Period and continuing until the last day of the Green Attributes Delivery Period, Seller shall convey and sell, and Buyer shall purchase and receive, those Green Attributes associated with the Delivered Energy.

(i) Seller represents and warrants that Seller holds the rights to such Green Attributes from the Project and Seller agrees to convey such Green Attributes to Buyer as included in the delivery of the Product from the Project subject to the terms and conditions of this Agreement.

(ii) As set forth above, Seller shall convey only that amount of Green Attributes required to meet the Total Quantity and shall do so only during the Green Attributes Delivery Period.

(b) The Green Attributes in the amount of the Total Quantity shall be deemed to be conveyed to and received by Buyer under this Confirmation as set forth herein. During the Green Attributes Delivery Period, Seller shall convey to Buyer the Green Attributes associated with the Delivered Energy within the later of: (A) twenty-five (25) Business Days following the occurrence of both (I) the deposit into Seller’s WREGIS account of the WREGIS Certificates for the Green Attributes for the applicable Calculation Period and (II) Buyer’s payment of the Monthly Cash Settlement Amount in accordance with Article 5 herein; and (B) twenty-five (25) Business Days following the satisfaction, or written waiver by
both Parties, of the Green Attributes Condition Precedent. Seller shall transfer such WREGIS Certificates in an amount equivalent to the Total Quantity to Buyer’s WREGIS account such that all right, title and interest in and to the WREGIS Certificates shall transfer from Seller to Buyer.

ARTICLE 4
CPUC FILING AND APPROVAL

4.1 Filing for CPUC Approval.

Within sixty (60) days after the Execution Date, Seller shall file with the CPUC a request for CPUC Approval. Buyer shall use commercially reasonable efforts to support Seller in obtaining CPUC Approval. Seller shall have no obligation to seek rehearing or to appeal a CPUC decision which fails to approve this Confirmation or which contains findings required for CPUC Approval with conditions or modifications unacceptable to either Party. Notwithstanding anything to the contrary in the Confirmation, Seller shall not have any obligation or liability to Buyer or any third party for any action or inaction of the CPUC or other Governmental Authority affecting the approval or status of this Confirmation as a transaction eligible for portfolio content category 1, as defined in California Public Utilities Code Section 399.16(b)(1).

4.2 Termination Right and Transaction Termination Date.

In the event that: (a) the CPUC issues a final and non-appealable order not approving this Agreement in its entirety, (b) the CPUC issues a final and non-appealable order which contains conditions or modifications unacceptable to either Party, or (c) approval by the CPUC has not been received by Seller on or before sixty (60) days from the date on which Seller files for CPUC Approval, then either Party may, in its sole discretion, elect to terminate this Agreement upon Notice to the other Party provided in accordance with Article 10.7 of the EEI Agreement. Such Notice shall become effective one (1) Business Day after its provision. The effective date of the Notice shall constitute the “Transaction Termination Date”. Any termination elected and noticed in accordance with this Section 4.2 shall terminate all of the Parties’ rights and obligations under the Agreement as of the Transaction Termination Date, except for the Parties’ confidentiality obligations under Article 9 herein.

4.3 Effect of Termination.

Any termination properly exercised by a Party under Section 4.2 shall be without liability or obligation, except for the Parties’ confidentiality obligations under Article 9 herein, and shall have no effect on the status of the EEI Agreement.

ARTICLE 5
COMPENSATION

5.1 Calculation Period.

The “Calculation Period” shall be each calendar month or portion thereof that Delivered Energy was conveyed to Buyer and for which associated Green Attributes will be transferred to Buyer under this Confirmation as described in Section 3.2(b).
5.2 **Monthly Cash Settlement Amount.**

Buyer shall pay Seller the Monthly Cash Settlement Amount, in arrears, for each Calculation Period. The “Monthly Cash Settlement Amount” for a particular Calculation Period shall be equal to the sum of (a) plus (b) minus (c), where:

(a) equals the sum, over all hours of the Calculation Period, of the applicable Energy Price for each hour of Delivered Energy, multiplied by the quantity of Delivered Energy during that hour; and

(b) equals the Green Attributes Price multiplied by the quantity of Green Attributes (in MWhs) that will be conveyed as described in Section 3.2(b) and that are associated with the Delivered Energy in the Calculation Period; and

(c) equals the sum, over all hours of the Calculation Period, of the applicable Energy Price for each hour of Delivered Energy, multiplied by the quantity of Delivered Energy during that hour.

5.3 **Payment Date.**

Notwithstanding anything to the contrary in Article Six of the EEI Agreement, payment of each Monthly Cash Settlement Amount by Buyer to Seller under this Confirmation shall be due and payable four (4) calendar months following the applicable Calculation Period and on or before the later of: (a) the twentieth (20th) day of the month in which the Buyer receives from Seller an invoice for the Calculation Period to which the Monthly Cash Settlement Amount pertains, and (b) ten (10) days following the date of Buyer’s receipt of an invoice issued by Seller for such applicable Calculation Period; provided that, if such payment due date is not a Business Day, then on the next Business Day. Payment to Seller shall be made by wire transfer pursuant to the Notices section of this Agreement.

5.4 **Invoices.**

The invoice shall include a statement detailing the amount of Delivered Energy, and associated Green Attributes, transferred to Buyer during the applicable Calculation Period. For purposes of this Confirmation, Buyer shall be deemed to have received an invoice upon Buyer’s receipt by e-mail of such invoice in PDF format from Seller. Invoices to Buyer shall be sent by email to: SVCEpowersettlements@svecleanenergy.org

**ARTICLE 6**

**REPRESENTATIONS, WARRANTIES AND COVENANTS**

6.1 **Seller’s Representations, Warranties, and Covenants.**

(a) **Seller Representations and Warranties.** Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project’s output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.
(b) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(c) Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract:

(i) For the avoidance of doubt, the term “contract” as used in the immediately preceding paragraph means this Confirmation.

(ii) For further clarity, the phrase “first delivery” as used in the immediately preceding paragraph means the first date of the Green Attributes Delivery Period.

(d) In addition to the foregoing, Seller warrants, represents and covenants, as of the Execution Date and throughout the Delivery Term, that:

(i) Seller has the contractual rights to sell all right, title, and interest in the Product required to be delivered hereunder;

(ii) Seller has not sold the Product required to be delivered hereunder to any other person or entity;

(iii) Seller is a “forward contract merchant” within the meaning of the United States Bankruptcy Code (as in effect as of the Execution Date of this Confirmation);

(iv) at the time of delivery, all rights, title, and interest in the Product required to be delivered hereunder are free and clear of all liens, taxes, claims, security interests, or other encumbrances of any kind whatsoever;

(v) Seller shall not substitute or purchase any Product from any generating resource other than the Project or the market for delivery hereunder; and

(vi) the facility(s) designated by Seller as the Project and all electrical output from the facility(s) designated as the Project are, or will be by the first date of the Green Attributes Delivery Period, registered with WREGIS as RPS-eligible.

(e) Seller makes no representation, warranty or covenant with respect to any portfolio content category designation pursuant to California Public Utilities Code Section 399.16 nor any eligibility of the Product to qualify as excess procurement pursuant to California Public Utilities Code Section 399.13(a)(4)(B).

(f) As of the Execution Date and throughout the Energy Delivery Period, Seller represents, warrants and covenants that the Project meets the criteria in either (A) or (B):
(A) The Project either has a first point of interconnection with a California balancing authority, or a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area; or

(B) The Project has an agreement to dynamically transfer electricity to a California balancing authority.

(g) If and to the extent that the Product sold by Seller is a resale of part or all of a contract between Seller and one or more third parties, Seller represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below as of the Execution Date and throughout the Energy Delivery Period:

(i) The original upstream third party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1)(A);

(ii) This Agreement transfers only Electric Energy and Green Attributes that have not yet been generated prior to the commencement of the Energy Delivery Period;

(iii) The Delivered Energy transferred hereunder is transferred to Buyer in real time; and

(iv) If the Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

6.2 To the extent a change in Law occurs after the Execution Date that causes the representations, warranties, and/or covenants in Section 6.1 or this Section 6.2 that continue beyond the Execution Date to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in Law.

6.3 “Commercially reasonable efforts” as set forth in this Article 6 and as applicable to Seller only shall not require Seller to incur out-of-pocket expenses in excess of twenty-five thousand dollars ($25,000.00) in the aggregate during the Term.

ARTICLE 7
TERMINATION AND CALCULATION OF TERMINATION PAYMENT

In the event this Transaction becomes a Terminated Transaction pursuant to Section 5.2 of the EEI Agreement, then the Settlement Amount with respect to this Transaction shall not be calculated in accordance with the EEI Agreement, but instead shall be calculated as follows:

The Non-Defaulting Party shall determine its Gains and Losses by determining the Market Quotation Average Price for the Terminated Transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts, to obtain the Market Quotation Average Price with respect to the Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for the Terminated Transaction in a commercially reasonable manner by calculating the arithmetic mean of the quotes of at least three (3) Broker or Index Quotes based on the offers to sell or bids to buy, as applicable, obtained for transactions substantially similar to the Terminated Transaction. Such Broker or Index Quotes must be obtained assuming that the Party obtaining the quote will provide sufficient credit support for the proposed transaction. In the event the Non-Defaulting Party is not able, after commercially reasonable efforts to obtain at least three (3) such Broker or Index Quotes with respect to the Terminated Transaction, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated
Transaction in a commercially reasonable manner by reference to information supplied to it 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; provided, however, that such third parties shall not be Affiliates of either Party. Only in the event the Non-Defaulting Party is not able, after using commercially reasonable efforts, to obtain such third party information, then the Non-Defaulting Party shall calculate its Gains and Losses for such Terminated Transaction in a commercially reasonable manner using relevant market data it has available to it internally.

ARTICLE 8
GENERAL PROVISIONS

8.1 Buyer Audit Rights.

In addition to any audit rights provided under the EEI Agreement, Seller shall, during the Term as may be requested by Buyer, provide documentation (which may include, for example, meter data as recorded by a meter approved by the Project’s governing Balancing Authority) sufficient to demonstrate that the Product has been conveyed and delivered to Buyer.

8.2 Facility Identification.

Seller shall have sole discretion throughout the Term to designate and re-designate, as applicable, the Project by selecting one or more of the facilities from Appendix A or by identifying one or more facilities as provided herein. If Seller determines that any Product to be delivered in a calendar month shall be from a facility or facilities other than those in Appendix A, then Seller shall provide Notice to Buyer identifying the facility or facilities that constitute the Project within three (3) Business Days prior to the delivery of Electric Energy from such facility or facilities in such calendar month.

8.3 Governing Law.

(a) Notwithstanding any provision to the contrary in the EEI Agreement, the Governing Law applicable to this Agreement shall be as set forth herein. This Section 8.3 does not change the Governing Law applicable to any other confirmation or transaction entered into between the Parties under the EEI Agreement.

(b) Governing Law. This agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement.

For the purposes of Section 8.3(b) above, the words “party” and “parties” shall have the meaning ascribed to them in the preamble of this Confirmation, and the word “agreement” shall mean the term “Agreement” as defined in the preamble of this Confirmation.

ARTICLE 9
CONFIDENTIALITY

9.1 The confidentiality provisions in Section 10.11 of the EEI Agreement shall apply herein, except that each of Buyer and Seller may disclose the following information regarding this Confirmation:
(a) Party names;
(b) Resource(s);
(c) Term;
(d) Project name, location(s), and information in Appendix A;
(e) Capacity of each facility designated as the Project;
(f) The fact that a facility designated as the Project is on-line and delivering;
(g) Delivery Point;
(h) The quantity of Product expected or actually delivered under this Confirmation; and
(i) Information provided by Seller pursuant to Section 8.1 of this Confirmation

9.2 Except for disclosures to comply with any applicable regulation, rule, or order of the CPUC, Federal Energy Regulatory Commission, CEC, or other Governmental Authorities, each Party shall provide Notice of any disclosure made pursuant to this Article 9 to the other Party.
ACKNOWLEDGED AND AGREED TO BY EACH PARTY'S DULY AUTHORIZED REPRESENTATIVE OR OFFICER:

PACIFIC GAS AND ELECTRIC COMPANY, limited for all purposes hereunder to its electric procurement and electric fuels functions

SILICON VALLEY CLEAN ENERGY, a California Joint Powers Authority

Signature: ___________________________ Signature: ___________________________
Name: Marino Monardi Name: ___________________________
Title: Director, Structured Energy Title: ___________________________
Date: April 10, 2018 Date: ___________________________

PG&E 2018 Bundled RPS Energy Sale
Pro-Forma Short-Term RPS Sale Confirmation
ACKNOWLEDGED AND AGREED TO BY EACH PARTY’S DULY AUTHORIZED REPRESENTATIVE OR OFFICER:

PACIFIC GAS AND ELECTRIC COMPANY, limited for all purposes hereunder to its electric procurement and electric fuels functions

SIGNATURE: _____________________________
Name: _________________________________
Title: _________________________________
Date: _________________________________

SILICON VALLEY CLEAN ENERGY, a California Joint Powers Authority

Signature: _____________________________
Name: Girish Balachandran
Title: Chief Executive Officer
Date: 4/5/18
### APPENDIX A to
EEI Master Power Purchase and Sale Agreement
Short Term Sales Confirmation

**PROJECT**

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<td>Rio Vista, CA</td>
<td>61617A</td>
<td>CAISO</td>
</tr>
<tr>
<td>Henrietta Solar</td>
<td>Solar Photovoltaic</td>
<td>Lemoore, CA</td>
<td>61841A</td>
<td>CAISO</td>
</tr>
</tbody>
</table>
Appendix B

FORM OF LETTER OF CREDIT

Issuing Bank Letterhead and Address

STANDBY LETTER OF CREDIT NO. XXXXXXXX

Date: [insert issue date]

Beneficiary: Pacific Gas and Electric Company
77 Beale Street, Mail Code B28L
San Francisco, CA 94105
Attention: Credit Risk Management

Applicant: [Insert name and address of Applicant]

Letter of Credit Amount: [insert amount]

Expiry Date: [insert expiry date]

Ladies and Gentlemen:

By order of [insert name of Applicant] ("Applicant"), we hereby issue in favor of Pacific Gas and Electric Company (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 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. “Pursuant to the terms of that certain EEI Power Purchase and Sale Agreement (the “Agreement”), dated [insert date of the Agreement], between Beneficiary and [insert name of Seller under the Agreement], or any Confirmation thereunder or related thereto, Beneficiary is entitled to draw under Letter of Credit No. [insert number] amounts owed by [insert name of Seller under the Agreement] under the Agreement; or

   B. “Letter of Credit No. [insert number] will expire in thirty (30) days or less and [insert name of Seller under the Agreement] has not provided replacement security acceptable to 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;

[insert issue date]
3. This Letter of Credit is not transferable; and
4. The Expiry Date of this Letter of Credit shall be automatically extended without a written amendment hereto for a period of one (1) 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 extend the Expiry Date of 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 in case of an interruption of our business as stated below), at our offices at [insert issuing bank’s address for drawings].

All demands for payment shall be made by presentation of original drawing documents and a copy of this Letter of Credit; or by facsimile transmission of documents to [insert fax number], Attention: [insert name of issuing bank’s receiving department], with original drawing documents and a copy of this Letter of Credit to follow by overnight mail. If presentation is made by facsimile transmission, 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 presentation.

Our payments against complying presentations under this Letter of Credit will be made no later than on the sixth (6th) 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, if they are presented within thirty (30) days after the resumption of our business, and will 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]

By: __________________________
Authorized Signature

Name: [print or type name]

Title: [print or type title]

[Note: All pages must contain the Letter of Credit number and page number for identification purposes.]
Appendix B

FORM OF LETTER OF CREDIT

Exhibit A – Sight Draft

TO
[INSERT NAME AND ADDRESS OF PAYING BANK]

AMOUNT: $________________________ DATE: __________________________

AT SIGHT OF THIS DEMAND PAY TO THE ORDER OF PACIFIC GAS AND ELECTRIC COMPANY THE AMOUNT OF U.S.$________(___________ U.S. DOLLARS)

DRAWN UNDER [INSERT NAME OF ISSUING BANK] LETTER OF CREDIT NO. XXXXXX.

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

DRAWER

BY: ______________________________ NAME AND TITLE
### Regulatory Summary

The “Green Book” produced by CPUC’s California Customer Choice Project (“CCCP”) is the biggest news item of the month. This paper is the culmination of a year’s worth of stakeholder engagement on the topic of reinstituting some version of retail choice in California, and while it is still very high-level it provides significant insight into the CPUC’s state of mind. The paper characterizes California’s situation as a precarious one on the brink of another energy crisis, and is not favorable towards CCAs. This is a high-profile document receiving significant attention from both the media and the legislature, and SVCE, CalCCA, and the CCA community anticipate expending significant resources on responding to it thoroughly.

Meanwhile, the PCIA proceeding continues to move through its scheduled milestones, and IRP preparation is ongoing at SVCE and load-serving entities throughout the state in advance of the August 1st IRP deadline. The CCA bond methodology proceeding (R.03-10-003) and tree mortality non-bypassable charge proceeding (A.16-11-005) received a Proposed Decision and Ruling respectively after months of inactivity. However, parties continue to await action on the CCA Code of Conduct Petition for Modification and the AB 1110 implementation process.

### Regulatory Update

#### PCIA Reform Rulemaking
(R. 17-06-026)

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. On 4/2/18, CalCCA submitted Opening Testimony that lays out a portfolio of suggested improvements to the PCIA. These range from incremental improvements to the market price benchmark to longer-term structural changes, such as securitization of utility-owned generation and an auction of IOU RPS and GHG-free resources to more accurately assess their market value.

- On 4/23/18, CalCCA submitted rebuttal testimony reinforcing the points made in Opening Testimony.
- Evidentiary hearings are scheduled for 5/7 – 5/11, followed by opening and reply briefs due in June.
- The IOUs have requested that Final Oral Arguments be added to the schedule for this proceeding and held on June 25th. If the Administrative Law Judge (“ALJ”) accepts this request, it is expected to delay the release of the Proposed Decision but not enough to prevent implementation of the new PCIA starting 1/1/19.

#### Integrated Resource Planning
(IRP)
(R. 16-02-007)

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 (“CNS”) methodology, which was originally proposed by PG&E and struck from the 2/8 IRP Decision after opposition from CalCCA and other stakeholders. CNS is based on hourly comparison between supply and demand curves for each load serving entity.

➢ On 4/20 and 4/30 respectively, CalCCA submitted opening and reply comments on the 4/3 Ruling selecting the Clean Net Short methodology as the GHG accounting methodology for the IRP process. The comments focused on the need to preserve the GHG-free status of PCC 2 resources (“Bucket 2” or most out-of-state renewables) and to adhere to a more RPS-based accounting methodology in the near term. The comments recognize the value of hourly accounting in the long-term but contend that the current CNS proposal is not the way to implement this approach.

➢ Preparation of SVCE’s first Integrated Resource Plan is under way. IRPs are due at the CPUC on 8/1/18, and SVCE’s IRP will be presented to the Board before submission. This will be done in either June or July pending the outcome of ongoing conversations with CPUC staff to clarify compliance specifications of the report. SVCE staff anticipate focusing for now on the IRP components expressly mandated by the CPUC and producing a more extensive document for public education this fall when more information about programs is available.

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.

➢ On 4/6/18, the Commission released a Proposed Decision in this proceeding with a methodology for the new CCA bond requirement. The Financial Security Requirement (“FSR, aka “CCA bond”) will include both the administrative costs of customer transition back to the IOU as well as an estimate of six months of incremental procurement costs. Incremental procurement costs will be estimated as the difference between market energy rate and the IOU generation retail rate, so in low-price market conditions the net incremental procurement cost can be negative. Negative procurement costs are allowed to offset administrative costs down to a total FSR of $0.

➢ CalCCA submitted opening and reply comments on the PD on 4/26 and 5/1 respectively. The comments argue that incremental procurement costs should be left out of the FSR entirely (a point that CalCCA has made throughout this proceeding), request clarifications to the procurement costs estimation methodology if these costs are to be included, and take issue with the large disparity in per-customer administrative costs across IOUs.

➢ This Proposed Decision will go to the CPUC Commissioners for a vote as early as 5/10/18.

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.
- Track 2 is also ramping up now, and opening testimony is due 7/10/18.

**AB 1110 Implementation**

- **Recall:** [AB 1110 (Ting, Chapter 656, Statues of 2016)](https://leginfo.leg.state.ca.us/2016/interim/abrpt6/s-692.html) was passed in 2016 for the purpose of augmenting the information available to electricity consumers in the annually-distributed [Power Content Label](https://cpuc.ca.gov/programs/pcia/pcia-funded-programs/pcl/) (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\(_2\)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 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.

- **No New Updates:** Parties are now awaiting an updated version of the Staff Proposal on AB 1110 implementation.

**Tree Mortality NBC**

- **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 tree mortality 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.

- **On 4/17/18, the CPUC released a ruling laying out the methodology for calculating the tree mortality NBC.** The methodology is straightforward, and calculates above-market costs of the biomass procurement by subtracting energy and ancillary services revenue plus the average 2016 per-MWh RPS contract cost from the biomass per-MWh biomass contract costs. Comments are due 5/11 and reply comments are due 5/18.

### 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 PClA proceeding concludes in mid to late 2018.
- **On 5/3/18, the CPUC released a white paper (the “Green Book”) on the future of customer choice in California.** The paper reviews several case studies from other states and countries that have implemented versions of retail choice in their electricity markets, and characterizes California’s situation as a precarious one at risk for another energy crisis. More in-depth discussion of the paper will be presented at the Board meeting.

### 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 next major legislative deadline is May 11th, by which policy committees must pass bills to the floor in the first house. The Green Book produced by the California Consumer Choice Project (see above) is receiving significant attention at the legislature, and responding to it will be a high priority for the CCA community during the remainder of the legislative session. The Ad Hoc Legislative Committee of the Board will be meeting on 5/7/18, and preparations continue for SVCE’s day of meetings in Sacramento on May 16th. Up-to-date legislative updates will be given verbally at the Board meeting.

A presentation will be provided to the Board summarizing these updates.
Communications & Outreach Update
May 2018

1. Events and Presentations

Staff continues to attend community events and provide presentations about SVCE to community groups as requested. We attended 11 community events in 8 communities, and 7 corporate Earth Day fairs throughout April. Corporate events included: Tesla, LinkedIn, Google, Fenwick and West, Western Digital, Adobe and VTA. We spoke with hundreds of residents at our information booths and were joined by Girish and several SVCE directors at the events. We posted a photo album and video recap of Earth Day weekend to social media to share our outreach efforts.

We will host another community meeting in Milpitas on May 14 at 6:30 p.m., which will be publicized through direct mail.

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>Apr. 28</td>
<td>10 AM – 2 PM</td>
<td>Gilroy Earth Day Fair - tabling</td>
<td>Gilroy Demonstration Garden,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Gilroy</td>
</tr>
<tr>
<td>Apr. 28</td>
<td>2 – 4 PM</td>
<td>Saratoga State of the City - tabling</td>
<td>Civic Theatre, Council</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Chambers, Saratoga</td>
</tr>
<tr>
<td>Apr. 30</td>
<td>6 – 8 PM</td>
<td>BayREN Workshop – presentation and Q&amp;A</td>
<td>Cupertino Community Hall</td>
</tr>
<tr>
<td>May 14</td>
<td>6:30 – 7:30 PM</td>
<td>Milpitas Community Meeting - presentation</td>
<td>Barbara Lee Senior Center,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Milpitas</td>
</tr>
<tr>
<td>May 19 - 20</td>
<td>Sat 10 AM – 6 PM, Sun 10 AM – 5 PM</td>
<td>Boogie: Campbell’s Music Festival - sponsor</td>
<td>Downtown Campbell</td>
</tr>
<tr>
<td>May 24</td>
<td>8 AM – 5 PM</td>
<td>SVLG Energy and Sustainability Summit - tabling</td>
<td>Oracle, Redwood City</td>
</tr>
<tr>
<td>May 24</td>
<td>6 – 8 PM</td>
<td>BayREN Workshop – presentation and Q&amp;A</td>
<td>Quinlan Community Center,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cupertino</td>
</tr>
<tr>
<td>May 26 and 27</td>
<td>Sat 10 AM – 7 PM, Sun 10 AM – 6 PM</td>
<td>Morgan Hill Mushroom Mardi Gras - tabling and sponsor</td>
<td>Downtown, Morgan Hill</td>
</tr>
<tr>
<td>May 31</td>
<td>8 AM – 5 PM</td>
<td>Innovation and Impact Symposium - tabling</td>
<td>San Jose City Hall</td>
</tr>
<tr>
<td>June 2 - 3</td>
<td>10 AM – 6 PM</td>
<td>Sunnyvale Art &amp; Wine Festival - sponsor</td>
<td>Downtown Sunnyvale</td>
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</table>
2. **Upgrade and Opt Out Update**

Below is the number of GreenPrime Upgrades and Opt Outs as of May 1, as well as the total opt out percentage in overall accounts, and opt out percentage by load. The percentages are now calculated including Milpitas accounts.

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Upgrade</th>
<th>Opt Out</th>
<th>Opt Out by Account Type</th>
<th>Total Opt Out, All Accounts</th>
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<tr>
<td>Residential</td>
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<td>7,654</td>
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<tr>
<td>Commercial</td>
<td>1504</td>
<td>703</td>
<td>2.42%</td>
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3. **Member Agency Working Group Update**

The Member Agency Working Group (MAWG) met on April 26 and discussed the following topics:

1. **SVCE Activity/Communications Update**
2. **DNVGL – GHG Emissions and Clean Energy Asset inventory**
   - Progress update provided by Betty Seto of DNVGL.
3. **Customer Program Advisory Group (CPAG) Update**
   - The CPAG Chair and Vice Chair attended the MAWG meeting to share progress to date.
   - Staff shared this graphic in a presentation that shows how stakeholder input is instrumental in shaping SVCE’s program roadmap.

4. **BAAQMD Grant Opportunity**
   - Staff shared an update on the latest details for the grant proposal.
4. Media

Our anniversary video is completed and shares SVCE’s first-year achievements and second-year expectations.

Articles:
- Other Voices: An alternative view on Silicon Valley Clean Energy, Los Altos Town Crier, 4-11-2018
- Other Voices: SVCE provides clean energy, customer savings, Los Altos Town Crier, 4-18-2018
- Cleaner and Greener Energy on the Way to Milpitas, The Milpitas Beat, 4-27-2018
- Bike to the Future, KLIV-AM, 4-28-2018

Mention:
- Clean energy and climate resilience for all, SF Examiner, 4-18-2018
<table>
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<tr>
<th>MAY</th>
<th>JUNE</th>
<th>JULY</th>
<th>AUGUST</th>
<th>SEPTEMBER</th>
<th>OCTOBER</th>
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<tbody>
<tr>
<td>Milpitas Launch</td>
<td>Board of Directors, May 9:</td>
<td>Board of Directors, June 13:</td>
<td>Board of Directors, July 11:</td>
<td>Board of Directors, August 8:</td>
<td>Board of Directors, Sept. 12:</td>
</tr>
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</table>

**MILESTONES**

**ADMINISTRATION POLICIES ETC.**

- Legislative Ad Hoc Committee, May 7: Sacramento Lobby Day Green Paper
Staff Report – Item 7

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 7: Executive Committee Report

Date: 5/9/2018

No report as the April 24, 2018 Executive Committee Meeting was cancelled. The next regularly scheduled meeting will be May 22, 2018, 11:30 a.m., at the SVCE Office.
Staff Report – Item 8

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

Item 8: Finance and Administration Committee Report

Date: 5/9/2018

No report as the Finance and Administration Committee has not met since their March 9, 2018 meeting. The next scheduled Finance and Administration Committee meeting will be May 30, 11:00 a.m., at the SVCE Office.
To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 9: Legislative Ad Hoc Committee Report

Date: 5/9/2018

The Legislative Ad Hoc Committee is meeting on Monday, May 7. Since the meeting is taking place after the deadline to publish Board reports, this item will be addressed in the form of an oral report to the Board.