



Margaret Abe-Koga, Chair
City of Mountain View

Howard Miller, Vice Chair
City of Saratoga

Liz Gibbons
City of Campbell

Rod Sinks
City of Cupertino

Fred M. Tovar
City of Gilroy

Jeannie Bruins
City of Los Altos

Courtenay C. Corrigan
Town of Los Altos Hills

Marico Sayoc
Town of Los Gatos

Bob Nuñez
City of Milpitas

Javed Ellahie
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Susan Ellenberg
County of Santa Clara

Nancy Smith
City of Sunnyvale

svcleanenergy.org

333 W El Camino Real
Suite 290
Sunnyvale, CA 94087

**Silicon Valley Clean Energy Authority
Board of Directors Meeting**

Wednesday, May 8, 2019
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

AGENDA

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any item not on the Agenda. Speakers are limited to 3 minutes each.

Consent Calendar (Action)

- 1a) Approve Minutes of the April 10, 2019, Board of Directors Meeting
- 1b) Receive March 2019 Treasurer Report
- 1c) Adopt Resolution to Authorize the Chief Executive Officer to Execute 1) Cost-Sharing And Reimbursement Agreement Between The Peninsula Clean Energy Authority, The Silicon Valley Clean Energy Authority, City of San Jose, Administrator of San Jose Clean Energy, The East Bay Community Energy Authority and Monterey Bay Community Power Authority; and 2) An Addendum for Resource Adequacy Services with The Alliance for Cooperative Energy Services Power Marketing LLC
- 1d) Authorize the Chief Executive Officer to Execute Agreement with Strategic Energy Innovations for Climate Corps Bay Area Fellows

Regular Calendar

- 2) CEO Report (Discussion)
- 3) SVCE and Monterey Bay Community Power 2019 Joint Request for Proposals for Carbon-Free Renewable Resources Update (Discussion)
- 4) Interim Update on Built Environment and Mobility Programs (Discussion)



Margaret Abe-Koga, Chair
City of Mountain View

Howard Miller, Vice Chair
City of Saratoga

Liz Gibbons
City of Campbell

Rod Sinks
City of Cupertino

Fred M. Tovar
City of Gilroy

Jeannie Bruins
City of Los Altos

Courtenay C. Corrigan
Town of Los Altos Hills

Marico Sayoc
Town of Los Gatos

Bob Nuñez
City of Milpitas

Javed Ellahie
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Susan Ellenberg
County of Santa Clara

Nancy Smith
City of Sunnyvale

- 5) Bike to the Future 2019 Recap (Discussion)
- 6) Executive Committee Report (Discussion)
- 7) Finance and Administration Committee Report (Discussion)
- 8) Legislative Ad Hoc Committee Report (Discussion)
- 9) Audit Committee Report (Discussion)

Board Member Announcements and Direction on Future Agenda Items

Adjourn

svcleanenergy.org

333 W El Camino Real
Suite 290
Sunnyvale, CA 94087



Silicon Valley Clean Energy Authority

Board of Directors Meeting

Wednesday, April 10, 2019

7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

DRAFT MINUTES

Call to Order

Chair Abe-Koga called the meeting to order at 7:05 p.m.

Roll Call

Present:

Chair Margaret Abe-Koga, City of Mountain View
Vice Chair Howard Miller, City of Saratoga
Alternate Director Liz Lawler, City of Monte Sereno
Alternate Director Rob Rennie, Town of Los Gatos
Director Nancy Smith, City of Sunnyvale
Director Rod Sinks, City of Cupertino
Director Courtenay Corrigan, Town of Los Altos Hills
Director Liz Gibbons, City of Campbell
Director Jeannie Bruins, City of Los Altos
Director Susan Ellenberg, County of Santa Clara (arrived at 7:06 p.m.)
Director Yvonne Martinez Beltran, City of Morgan Hill
Director Fred Tovar, City of Gilroy

Absent:

Director Bob Nuñez, City of Milpitas

Public Comment on Matters Not Listed on the Agenda

No speakers.

Presentation of Resolution Recognizing SVCE's Two Years of Service

Chair Abe-Koga introduced a video highlighting SVCE's two years of service. Yvonne Chao, District Representative from the office of California State Senator Jim Beall, presented a Senate resolution to the Board.

Consent Calendar

Chair Abe-Koga opened public comment.
No speakers.
Chair Abe-Koga closed public comment.

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

The motion carried unanimously with Director Nuñez absent.

- 1a) Approve Minutes of the March 13, 2019, Board of Directors Meeting**
- 1b) Receive February 2019 Treasurer Report**
- 1c) Adopt Resolution Amending the Authority's Conflict of Interest Code to Add Finance and Administration Committee Member to the List of Designated Positions for Filing**
- 1d) Approve the Cancellation of the August 21, 2019 Board of Directors Meeting and Reinstate August 14, 2019 Meeting Date**

Regular Calendar

2) CEO Report (Discussion)

CEO Girish Balachandran provided a CEO report which included an introduction on CalCCA's lobby day which occurred on April 3, 2019, information on a cost sharing agreement between five CCAs that will allow the five CCAs to enter into joint projects, and noted the link to the anniversary video shown at the start of the meeting would be distributed via email to the Board of Directors.

Manager of Regulatory and Legislative Affairs Hilary Staver provided a regulatory and legislative update which included additional details from CalCCA's lobby day, an update on the resource adequacy (RA) proceeding, an update on the integrated resource planning (IRP) proceeding, and a direct access (DA) update; Manager of Regulatory and Legislative Affairs Staver responded to Board member questions.

The Board provided comments on the lack of certification of SVCE's Integrated Resource Plan by the California Public Utilities Commission (CPUC); Board members suggested starting a dialogue with other elected officials on the matter. Director Sinks requested staff schedule a Legislative Ad Hoc Committee meeting to discuss a strategy and concise messaging.

3) Adopt Resolution to Approve SVCE Rate Schedules Effective May 1, 2019 and Authorize the CEO to Further Adjust Customer Generation Rates to be 1% Below PG&E's Final Rates (Action)

Director of Account Services and Community Relations Don Bray introduced the item, presented a PowerPoint presentation, and responded to Board member questions.

Director of Finance and Administration Don Eckert provided additional information on SVCE's target reserves.

Chair Abe-Koga opened public comment.

James Tuleya, resident of Sunnyvale, supported staff's recommendation for Option B, to set SVCE's discount to 6% effective May 1, 2019 and lower SVCE's discount to 1% below PG&E's final rates, noting it was the best balance of all three of the options presented and very prudent relative to building more reserves due to risk.

Chair Abe-Koga closed public comment.

Executive Committee members provided a summary of the rate discussions at the Executive Committee meeting on March 22; Board members commented on past discussions regarding reserves, rates, and other SVCE policies.

Director Corrigan requested staff consider a program similar to, “Add a Penny for SVCE Programs”, or “Round Up your Bill for Additional Investment in Your Community,” which would give customers the option of rounding up their bill in small incremental ways so that SVCE can receive that income and apply it to programs, giving SVCE more money for operations that will help SVCE in a multitude of other ways.

MOTION: Director Corrigan moved and Director Tovar seconded the motion to adopt Resolution 2019-06 approving SVCE Rate Schedules effective May 1, 2019 that maintains the 6% discount to PG&E customer generation rates, and delegate authority to the CEO to further adjust customer generation rates to achieve a 1% discount to final PG&E generation rates shortly after those rates are released.

The motion carried unanimously with Director Nuñez absent.

4) Approve the Q1 2019 Update of the Decarbonization Strategy and Programs Roadmap with Revised Program Briefs and Adopt Resolution Approving the Budget Request for Workforce Development and Training Programs (Action)

Director of Decarbonization and Grid Innovation Programs Aimee Bailey introduced the item, presented a PowerPoint presentation, and responded to Board member questions.

Director Ellenberg suggested staff connect with Silicon Valley Career Technical Education in relation to the proposed workforce development and training programs.

Director Corrigan left the meeting at 8:40 p.m.

Chair Abe-Koga opened public comment.

James Tuleya supported the staff recommendation and workplace development and training. Tuleya noted he appreciated staff’s reach code efforts to catch the three-year cycle.

Chair Abe-Koga closed public comment.

MOTION: Director Sinks moved and Director Ellenberg seconded the motion to approve the Q1 2019 Update of the Decarbonization Strategy & Programs Roadmap with revised program briefs (Attachments 1 and 2) and adopt Resolution No. 2019-07 (Attachment 3) to approve the budget request and associated program brief (Attachment 4) for Workforce Development & Training programs totaling \$200,000 for FY2019 and FY2020.

The motion carried unanimously with Directors Corrigan and Nuñez absent.

5) Executive Committee Report (Discussion)

Vice Chair Miller reported the Executive Committee discussed rates, future stakeholder and community engagement options, and held a closed session regarding SVCE’s office facility.

6) Finance and Administration Committee Report (Discussion)

Vice Chair Miller reported there was no report as the Finance and Administration Committee had not met since January 25th, and the next meeting would occur in spring.

7) Legislative Ad Hoc Committee Report (Discussion)

Director Sinks reported there was no report as the Legislative Ad Hoc Committee had not met, but would be meeting before the next Board of Directors meeting in May. Director Sinks encouraged fellow Board members to participate in the next trip to Sacramento.

8) Audit Committee Report (Discussion)

Chair Abe-Koga reported there was no report.

Board Member Announcements and Direction on Future Agenda Items

Director Smith reported she joined the National League of Cities' Energy Environment and Natural Resources Committee. Director Smith commented the committee met at the National League of Cities' meeting in Washington in March and she will pass along any updates related to clean energy to the Board.

Director Bruins supported Director Corrigan's suggested program, which would allow customers to round up their bill, and requested staff consider the program.

Director Sinks reported the Bay Area Air Quality Management District recently approved a contract to map and measure the air district's area for various pollutants, including methane gas.

Adjourn

Chair Abe-Koga adjourned the meeting at 8:53 p.m.



TREASURER REPORT

**Fiscal Year to Date
As of March 31, 2019**

(Preliminary & Unaudited)

Issue Date: May 8, 2019

Table of Contents

	<u>Page</u>
Summary	2-3
Statement of Net Position	4
Statement of Revenues, Expenses & Changes in Net Position	5
Statement of Cash Flows	6-7
Actuals to Budget Report	8-9
Monthly Change in Net Position	10
Personnel Report	11
Investments Report	12
Customer Accounts	13
Weather Statistics	14
Accounts Receivable Aging Report	15

**SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights (\$ in 000's)**

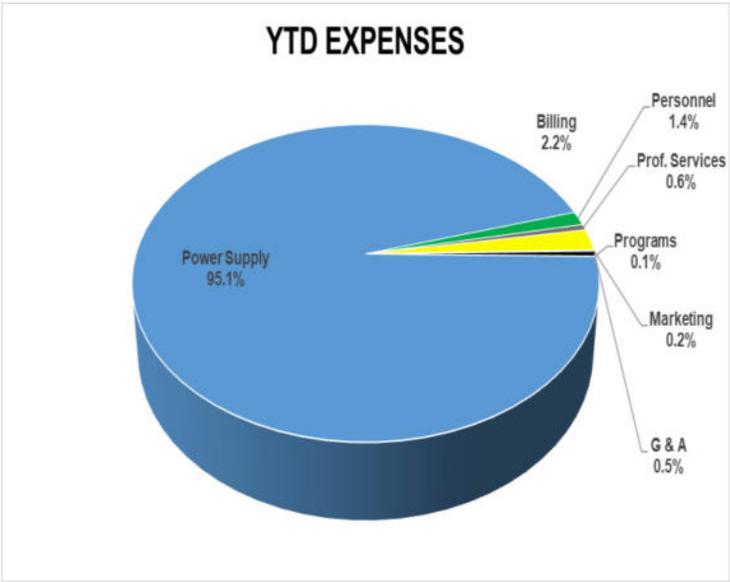
Financial Highlights for the month of March 2019:

Note: Mid-Year Budget Adjustments approved by the Board in March 2019. A favorable adjustment to revenues based on projected rates was offset by unfavorable adjustment in Power Supply costs resulting in no change to net position.

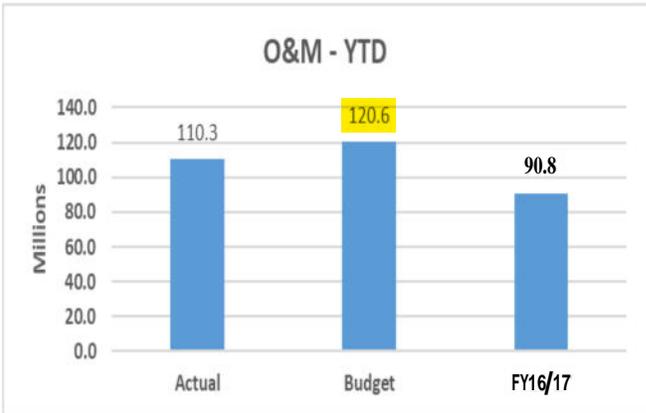
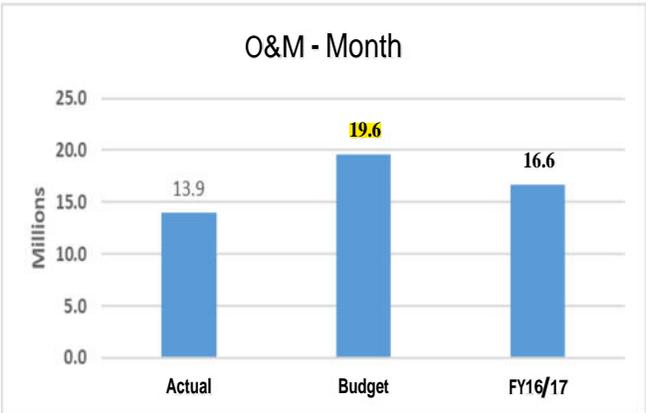
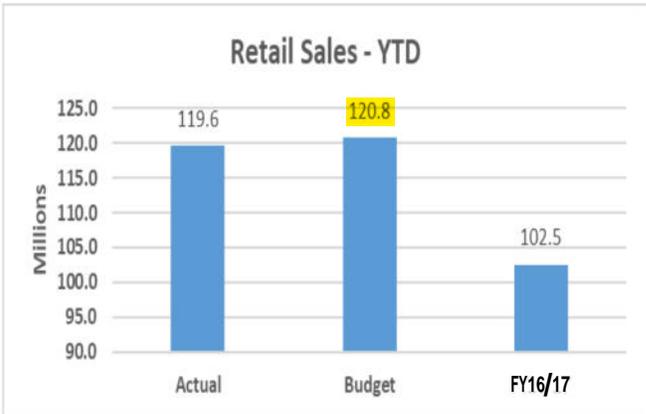
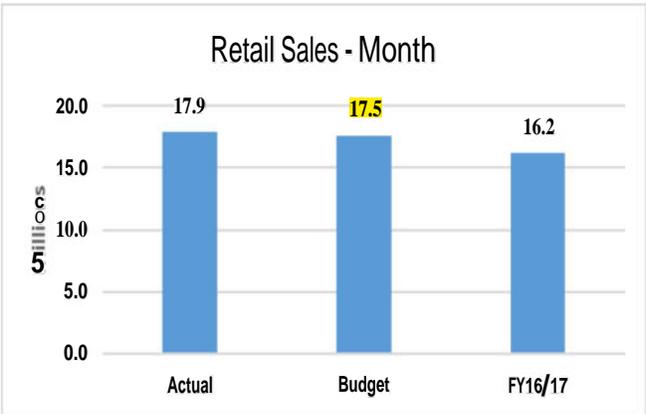
An Interim Rate Change was approved by the Board in April 2019 to be effective May 1, 2019.

- > SVCE operations resulted in a positive change in net position for the month of \$4.0 million and year-to-date change in net position of \$9.7 million.
 - o March revenue of \$17.9 million accounted for 311 GWh in net retail consumption.
 - o Year-to-date operating margin is \$14.7 million is now \$7.0 million above budget.
 - o SVCE is above the minimum cash reserve target and financially stable.
- > Retail GWh sales for the month were 9 GWh above budget for the month and 1% below budget year-to-date.
 - o March weather was slightly warmer than normal.
 - o The Mid-Year Budget trued up actuals to budget for October through January.
- > Power Supply costs are 7% below budget year-to-date.
 - o Favorable adjustments for December and February power supply costs based on updated settlements from CAISO.
 - o Staff is developing risk management guidelines.
- > Programs/Capital
 - o The Programs Roadmap was approved by the Board of Directors in December 2018.
 - o Program RFP's have been issued as part of the ramping up process.
- > Investing/Financing
 - o SVCE currently has a \$35 million line of credit.

Change in Net Position	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Amended Budget
Actual	8,092	953	1,947	(4,819)	(523)	4,025	-	-	-	-	-	-	9,674	29,584
Power Supply Costs	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Amended Budget
Energy & REC's	14,735	13,930	12,890	18,224	14,103	12,080							85,962	
Capacity	985	912	1,082	1,554	1,596	1,308							7,437	
CAISO Charges	798	1,043	438	1,768	917	(804)							4,160	
NEM Expense	74	(82)	(242)	(287)	(146)	(81)							(764)	
Charge/Credit (IST/Net Rev)	569	1,089	3,383	2,064	497	516							8,118	
Net Power Costs	17,161	16,892	17,551	23,323	16,968	13,019	-	-	-	-	-	-	104,913	234,330
Other	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Amended Budget
Capital Expenditures	2	-	6	1	1	7							17	200
Energy Programs	37	3	-	1	3	16							60	5,640
Load Statistics - GWh	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Amended Budget
Retail Sales Actual	323	318	354	336	299	311							1,941	
Retail Sales Budget	323	318	354	336	322	302	308	310	328	353	345	337	3,936	3,936



Other Statistics and Ratios	
Working Capital	\$84,809,662
Current Ratio	3.9
Operating Margin	12%
Expense Coverage Days	98
Return on Assets	8%
Long-Term Debt	\$0
Total Accounts	268,627
Opt-Out Accounts	9,831
Opt-Up Accounts	3,121



SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of March 31, 2019

ASSETS

Current Assets

Cash & Cash Equivalents	\$	75,197,296
Accounts Receivable, net of allowance		15,202,528
Energy Settlements Receivable		1,640,681
Accrued Revenue		11,039,997
Other Receivables		164,987
Prepaid Expenses		904,275
Deposits		5,654,126
Restricted cash - lockbox		4,000,000

Total Current Assets		113,803,890
-----------------------------	--	--------------------

Noncurrent assets

Capital assets, net of depreciation		170,063
Deposits		3,129,060

Total Noncurrent Assets		3,299,123
--------------------------------	--	------------------

Total Assets		117,103,013
---------------------	--	--------------------

LIABILITIES

Current Liabilities

Accounts Payable		553,076
Accrued Cost of Electricity		26,395,484
Accrued Payroll & Benefits		226,210
Other accrued liabilities		398,140
User Taxes and Energy Surcharges due to other gov'ts		807,998
Supplier Security Deposits		613,320

Total Current Liabilities		28,994,228
----------------------------------	--	-------------------

NET POSITION

Net investment in capital assets		170,063
Restricted for security collateral		4,000,000
Unrestricted (deficit)		83,938,722
Total Net Position	\$	88,108,785

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

October 1, 2018 through March 31, 2019

OPERATING REVENUES

Electricity Sales, Net	\$ 119,178,566
GreenPrime electricity premium	414,956
TOTAL OPERATING REVENUES	<u>119,593,522</u>

OPERATING EXPENSES

Cost of Electricity	104,912,776
Staff Compensation and benefits	1,566,079
Data Management	1,808,773
Service Fees - PG&E	570,672
Consultants and Other Professional Fees	563,840
Legal	161,305
Communications & Noticing	165,489
General & Administrative	543,232
Depreciation	25,215
TOTAL OPERATING EXPENSES	<u>110,317,381</u>
OPERATING INCOME(LOSS)	<u>9,276,141</u>

NONOPERATING REVENUES (EXPENSES)

Interest Income	453,780
Financing costs	(55,856)
TOTAL NONOPERATING EXPENSES	<u>397,924</u>

CHANGE IN NET POSITION

Net Position at beginning of period	78,434,720
Net Position at end of period	<u>\$ 88,108,785</u>

STATEMENT OF CASH FLOWS
October 1, 2018 through March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 133,824,853
Receipts from wholesale sales	394,740
Supplier security deposits	28,320
Tax and surcharge receipts from customers	2,588,589
Energy settlements received	937,647
Desposits and collateral received	6,766,187
Payments to purchase electricity	(115,224,344)
Payments for staff compensation and benefits	(1,607,575)
Payments for data manager fees	(1,807,971)
Payments for PG&E service fees	(476,497)
Payments for consultants and other professional services	(565,553)
Payments for legal fees	(189,099)
Payments for communications and noticing	(201,576)
Payments for general and administrative	(574,362)
Payments of deposits and collateral	(1,364,043)
Tax and surcharge payments to other governments	(2,682,325)
Net cash provided (used) by operating activities	<u>19,846,991</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Interest and related expense payments	(55,856)
Net cash provided (used) by non-capital financing activities	<u>(55,856)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(10,959)</u>
-------------------------------	-----------------

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Interest income received	<u>453,780</u>
--------------------------	----------------

Net change in cash and cash equivalents	20,233,956
Cash and cash equivalents at beginning of year	<u>58,963,340</u>
Cash and cash equivalents at end of period	<u>\$ 79,197,296</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)

October 1, 2018 through March 31, 2019

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

Operating Income (loss)	\$ 9,276,141
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	25,215
Revenue reduced for uncollectible accounts	600,974
(Increase) decrease in net accounts receivable	7,857,646
(Increase) decrease in energy settlements receivable	(466,576)
(Increase) decrease in other receivables	(78,726)
(Increase) decrease in accrued revenue	5,891,364
(Increase) decrease in prepaid expenses	219,571
(Increase) decrease in current deposits	5,402,144
Increase (decrease) in accounts payable	(167,462)
Increase (decrease) in accrued payroll & benefits	34,921
Increase (decrease) in energy settlements payable	(1,308,514)
Increase (decrease) in accrued cost of electricity	(7,653,780)
Increase (decrease) in accrued liabilities	398,140
Increase (decrease) in taxes and surcharges due to other governments	(212,387)
Increase (decrease) in supplier security deposits	28,320
Net cash provided (used) by operating activities	\$ 19,846,991

**SILICON VALLEY CLEAN ENERGY
BUDGETARY COMPARISON SCHEDULE
October 1, 2018 through March 31, 2019**

	FYTD Actual	FYTD Amended Budget	Variance \$	%	FY 2018-19 Amended Budget	% Budget Spent
REVENUES & OTHER SOURCES						
Energy Sales	\$ 119,178,566	\$ 120,427,396	\$ (1,248,830)	-1%	\$ 281,890,000	
Green Prime Premium	414,956	370,466	44,490	12%	630,000	
Other Income	-	25,000	(25,000)	-100%	100,000	
Investment Income	453,780	399,230	54,550	0%	850,000	
TOTAL REVENUES & OTHER SOURCES	120,047,302	121,222,092	(1,174,790)	-1%	283,470,000	
EXPENDITURES & OTHER USES						
CURRENT EXPENDITURES						
Power Supply	104,912,776	113,096,163	8,183,387	7%	234,330,000	45%
Data Management	1,808,773	1,792,505	(16,268)	-1%	3,560,000	51%
PG&E Fees	570,672	563,615	(7,057)	-1%	1,120,000	51%
Salaries & Benefits	1,566,079	1,846,041	279,962	15%	4,300,000	36%
Professional Services	665,183	946,570	281,387	30%	2,290,000	29%
Marketing & Promotions	139,217	284,534	145,317	51%	910,000	15%
Notifications	26,272	51,570	25,298	49%	160,000	16%
Lease	160,656	162,047	1,391	1%	330,000	49%
General & Administrative	382,576	367,775	(14,801)	-4%	836,000	46%
TOTAL CURRENT EXPENDITURES	110,232,204	119,110,820	8,878,616	7%	247,836,000	44%
OTHER USES						
Customer Programs	59,962	1,440,359	1,380,397	96%	5,640,000	1%
Office Equipment	16,719	19,883	3,164	16%	200,000	8%
Financial Security Requirement	-	-	-	0%	147,000	
Refund of Bond	-	-	-	0%	(100,000)	
TOTAL OTHER USES	76,681	1,460,242	1,383,561	95%	5,887,000	1%
DEBT SERVICE						
Financing	55,856	64,392	8,536	13%	90,000	62%
Interest	-	30,000	30,000	100%	120,000	0%
TOTAL DEBT SERVICE	55,856	94,392	38,536	41%	210,000	27%
Total Expenditures, Other Uses & Debt Service	110,364,741	120,665,454	10,300,713	9%	253,933,000	43%
Net Increase(Decrease) in Available Fund Balance	\$ 9,682,561	\$ 556,638	\$ 9,125,923	1639%	\$ 29,537,000	

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	\$	9,682,561
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position		
Subtract depreciation expense		(25,215)
Add back capital asset acquisitions		16,719
Change in Net Position		<u>9,674,065</u>

**SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2018 through March 31, 2019**

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
OPERATING REVENUES													
Electricity sales, net	\$ 26,013,308	\$ 18,589,640	\$ 20,295,540	\$ 19,278,907	\$ 17,206,905	\$ 17,794,266							\$ 119,178,566
Green electricity premium	76,005	66,459	67,567	73,924	61,034	69,967							414,956
Other income	-	-	-	-	-	-							-
Total operating revenues	26,089,313	18,656,099	20,363,107	19,352,831	17,267,939	17,864,233	-	-	-	-	-	-	119,593,522
OPERATING EXPENSES													
Cost of electricity	17,160,575	16,892,744	17,551,069	23,433,656	16,893,908	12,980,824							104,912,776
Staff compensation and benefits	236,907	256,926	264,613	269,608	250,743	287,282							1,566,079
Data manager	301,479	300,856	301,200	301,385	301,626	302,227							1,808,773
Service fees - PG&E	94,279	94,000	94,377	94,000	99,753	94,263							570,672
Consultants and other professional fees	130,737	114,869	129,909	123,353	230,634	161,132							890,634
General and administration	99,316	70,743	74,028	73,621	106,969	118,555							543,232
Depreciation	4,179	4,179	4,335	4,393	3,969	4,160							25,215
Total operating expenses	18,027,472	17,734,317	18,419,531	24,300,016	17,887,602	13,948,443	-	-	-	-	-	-	110,317,381
Operating income (loss)	8,061,841	921,782	1,943,576	(4,947,185)	(619,663)	3,915,790	-	-	-	-	-	-	9,276,141
NONOPERATING REVENUES (EXPENSES)													
Interest income	30,474	30,758	58,997	128,308	96,180	109,063							453,780
Interest and related expense	-	-	(55,856)	-	-	-							(55,856)
Total nonoperating revenues (expenses)	30,474	30,758	3,141	128,308	96,180	109,063	-	-	-	-	-	-	397,924
CHANGE IN NET POSITION	\$ 8,092,315	\$ 952,540	\$ 1,946,717	\$ (4,818,877)	\$ (523,483)	\$ 4,024,853	\$ -	\$ 9,674,065					

PERSONNEL REPORT FOR MARCH 2019

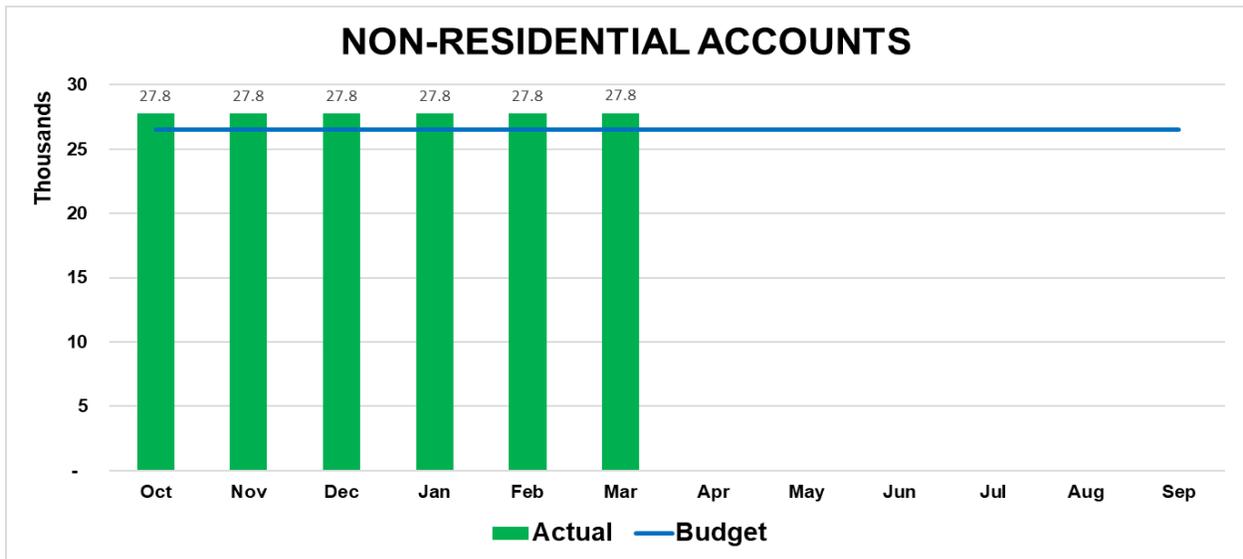
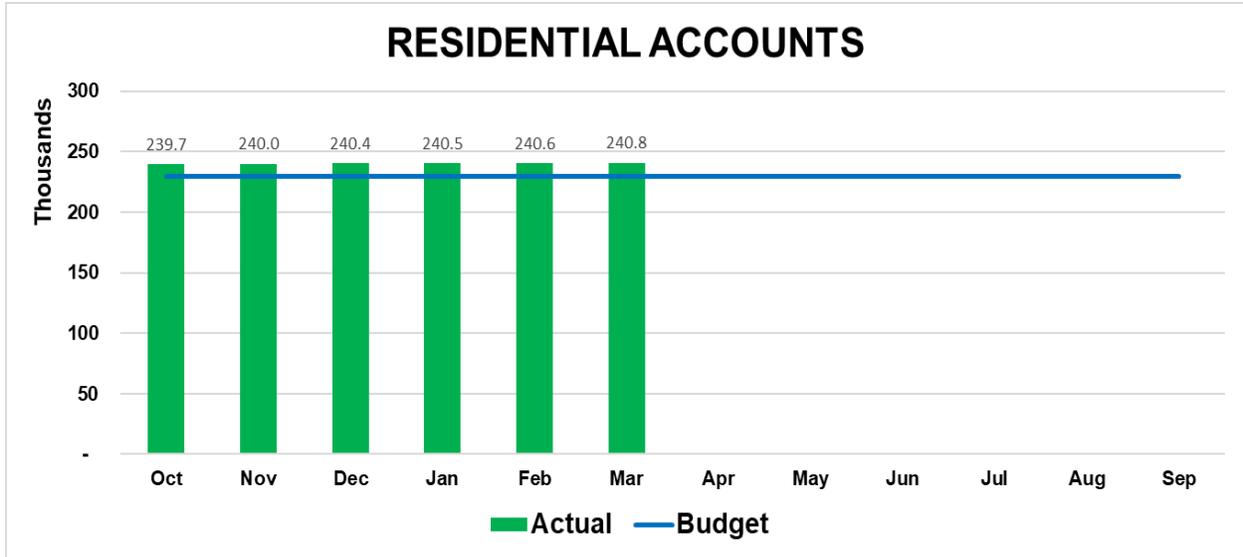
HEADCOUNT				
<u>Position</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
Director of Account Services and Community Relations	1	1	0	
Account Services Manager	1	1	0	
Energy Consultant	2	1	1	
Energy Associate	2	0	2	
Communications Manager	1	1	0	
Community Outreach Specialist	1	1	0	
Communications Specialist	1	1	0	
Board Clerk/Executive Assistant	1	1	0	
Chief Executive Officer	1	1	0	
Director of Finance and Administration	1	1	0	
Administrative Services Manager	1	0	1	
Management Analyst	1	1	0	
Administrative Analyst	1	1	0	
Administrative Assistant	1	1	0	
Director of Power Resources	1	1	0	
Power Resources Manager	1	0	1	
Power Resources Planner	1	1	0	
Power Settlements & Compliance Analyst	1	1	0	
Manager of Regulatory and Legislative Affairs	1	1	0	
Senior Regulatory Analyst	1	1	0	
Director of Decarboniation and Grid Innovation	1	1	0	
Data Analyst	1	0	1	
Analyst	<u>1</u>	<u>1</u>	<u>0</u>	
Total*	25	19	6	

**SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY
October 1, 2018 through March 31, 2019**

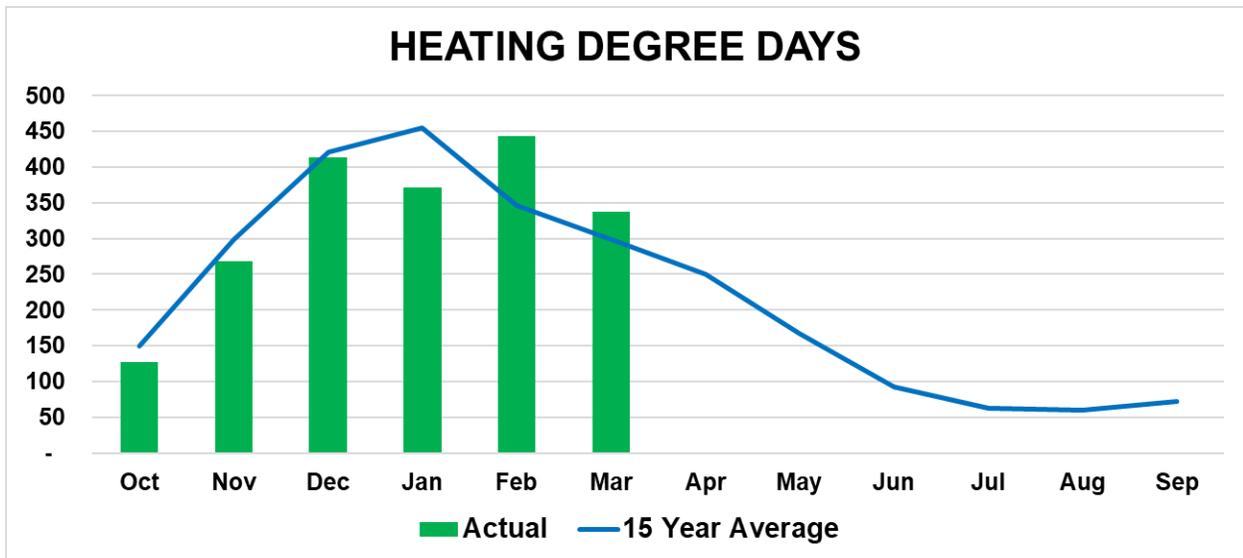
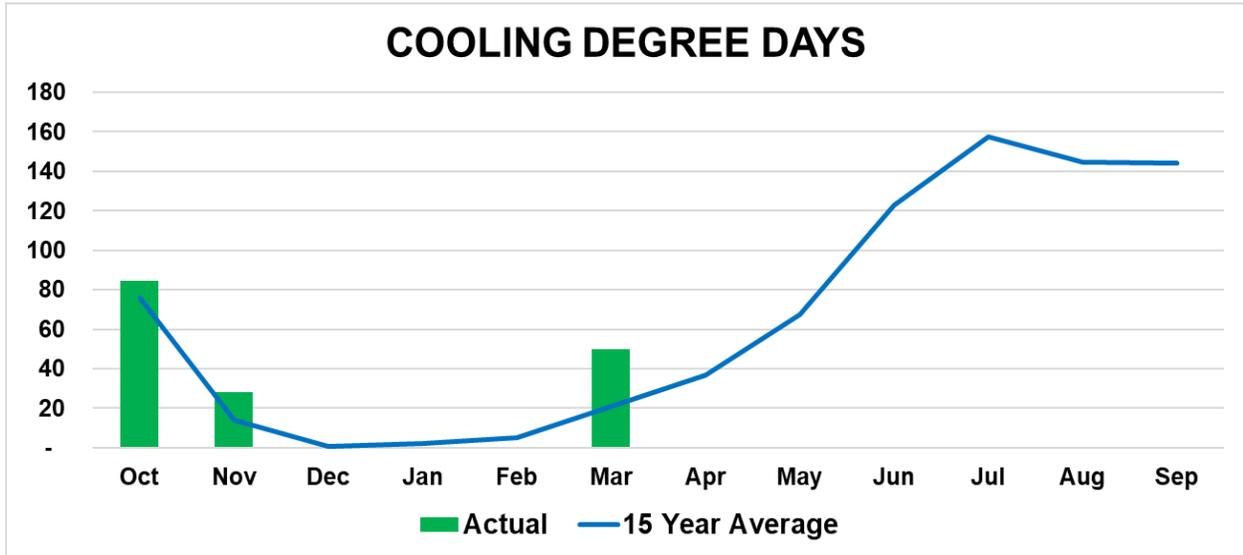
Return on Investments	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	YTD Total
<i>Money Market</i>	\$30,474	\$30,758	\$58,997	\$128,308	\$96,180	\$109,063	\$0	\$0	\$0	\$0	\$0	\$0	<u>\$453,780</u>
<hr/>													
Portfolio Invested													
<i>Average daily portfolio available to invest*</i>	55,148,395	63,583,109	62,254,625	69,135,839	70,770,817								
<i>Average daily portfolio invested</i>	20,154,823	20,185,339	35,700,846	60,277,386	60,380,303								
<i>% of average daily portfolio invested</i>	36.5%	31.7%	57.3%	87.2%	85.3%								
<hr/>													
Detail of Portfolio													
	<u>Opening Rate %</u>		<u>Current Rate %</u>										<u>Carrying Value</u>
<i>Money Market - River City Bank</i>	1.26%		2.16%										\$60,473,048

* Note: Balance available to invest does not lockbox or debt serve reserve funds.

CUSTOMER ACCOUNTS



WEATHER STATISTICS



**SILICON VALLEY CLEAN ENERGY AUTHORITY
ACCOUNTS RECEIVABLE AGING REPORT**

	Total	Days				
		0-30	31-60	61-90	90-120	Over 120*
Accounts Receivable	\$17,531,515	\$14,898,937	\$944,688	\$788,712	\$211,761	\$687,418
Period %	100%	85.0%	5.4%	4.5%	1.2%	3.9%

*Note: A portion of accounts that are 120 days old have been sent back to PG&E, however the receivable remains outstanding until PG&E writes the account off.



Staff Report – Item 1c

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1c: Adopt Resolution to Authorize the Chief Executive Officer to Execute 1) Cost-Sharing And Reimbursement Agreement Between The Peninsula Clean Energy Authority, The Silicon Valley Clean Energy Authority, City of San Jose, Administrator of San Jose Clean Energy, The East Bay Community Energy Authority and Monterey Bay Community Power Authority; and 2) An Addendum for Resource Adequacy Services with The Alliance for Cooperative Energy Services Power Marketing LLC

Date: 5/8/2019

RECOMMENDATION

Adopt Resolution No. 2019-08 authorizing the Chief Executive Officer (CEO) to execute 1) Cost-Sharing And Reimbursement Agreement (“Cost-Sharing Agreement”) between the Peninsula Clean Energy Authority (PCE), Silicon Valley Clean Energy Authority (SVCE), City of San Jose, Administrator of San Jose Clean Energy (SJCE), East Bay Community Energy Authority (EBCE) and Monterey Bay Community Power Authority (MBCP); and 2) an Addendum to the Cost-Sharing Agreement for consulting and support services related to resource adequacy provided by Alliance for Cooperative Energy Services Power Marketing LLC., (“ACES”) in an amount not to exceed \$150,000 through May 31, 2022.

BACKGROUND

SVCE, PCE, SJCE, MBCP, and EBCE are all community choice aggregators (“Joint CCAs”) in California. The five CCAs all serve customers in Pacific Gas and Electric’s service territory. Each CCA is governed by a board or city council of elected officials and have staff dedicated to meeting the objectives of their respective organization. As load serving entities, each CCA is required to comply with state legislative and regulatory requirements including but not limited to resource adequacy, renewable portfolio standards, integrated resource plans, and data management of customer usage and billing information. Meeting these requirements is time consuming, expensive and in some cases requiring technical skills beyond some CCA’s current bandwidth. As such, many of these services are outsourced to third-party providers to ensure compliance while focusing staff’s efforts on meeting broader community objectives.

The draft Cost-Sharing Agreement (Attachment 1) was developed to enable the Joint CCAs to efficiently and cost effectively procure resources and services to meet organizational objectives and/or regulatory requirements. Process-wise, a host CCA, which will be designated as the Responsible Party, will establish a service agreement with a vendor and through the Cost-Sharing Agreement, allocate costs to the other Joint CCAs based on participation rates or agreed to terms. The vendor scope of work and compensation per CCA will be memorialized in an addendum attached to the Cost-Sharing Agreement, which requires approval from and execution by each participating CCA.

The first service agreement under the Cost-Sharing Agreement is with ACES for Resource Adequacy (RA) related services including portfolio aggregation, management, procurement and compliance reporting. A draft service agreement between PCE and ACES is provided (Attachment 2) and will serve as the basis for the preparation of

the first addendum under the Cost-Sharing Agreement. The next contemplated service agreement may include procuring joint meter-data-management services.

ANALYSIS & DISCUSSION

Cost-Sharing Agreement

The Cost-Sharing Agreement was structured to accommodate the procurement of multiple joint service solutions and includes a set of general contract terms and conditions related to participation, payment, notifications, termination and indemnification. Any CCA can terminate the Cost-Sharing Agreement upon 30 days advance written notice and may be assessed an early termination payment, if applicable. The Cost-Sharing Agreement along with the terms and conditions have been reviewed by staff of each CCA and approved as to form by their respective legal counsels.

Approval of the attached resolution will delegate the authority to the CEO to execute the Cost-Sharing Agreement, with non-substantive changes, and to execute an addendum for RA related services with ACES. Future procurement of joint services, depending on the CEO's existing procurement authority would come back to the Board for approval.

ACES RA Service Provider – First Addendum

General power supply planning and acquisition requires specialized knowledge and expertise to perform the requisite analysis, procurement plans, execution of transactions and regulatory compliance submittals. Meeting California's RA program requirements is complicated due to the onerous regulatory requirements and scarcity of resources in the marketplace requiring extensive staff resources to track, procure and report. While SVCE is fully committed to meeting RA requirements and investing in resources that promote greater grid reliability, the amount of time and effort spent on meeting RA obligations is not commensurate with the budget for RA. Because it is important that SVCE meets all compliance obligations while at the same time furthering the multiple community driven objectives, SVCE currently outsources this function to Pacific Energy Advisors (PEA) under a consultant service agreement, set to expire in September 2019. This solution has worked well to date; however SVCE's ability to meet the year-ahead requirements in 2019 was not an easy endeavor and will continue to become difficult as more and more CCA's procure RA to meet their RA needs and resources are taken off-line or no longer offered for RA.

Recognizing that the Joint CCAs are often time competing against each other to procure scarce resources, the five CCAs decided to band together. Through joint procurement, the Joint CCAs may be able to collaborate on RA procurement and balance deficit and surplus positions amongst each other to the extent possible. Joint procurement will also aid in achieving economies of scale when issuing solicitations to buy RA and/or responding to solicitations issued by generators and/or the holders of RA capacity, which may require minimum volumes greater than any one CCA has the need for.

To achieve efficiencies in RA procurement in a competitive and transparent manner along with achieving efficiencies in regulatory compliance filings, the Joint CCAs issued a request for proposals in February 2019 for RA portfolio management services and regulatory compliance. ACES was selected as the favored vendor based on evaluation criteria which looked at the organization's experience, bandwidth, proposal to meet RA needs and value to the Joint CCAs.

PCE is the host CCA or Responsible Party under the Cost-Sharing Agreement and will enter into a service agreement with ACES, which will form the basis of the addendum to the Cost-Sharing Agreement. The scope of work and compensation have been established; however, the two entities are still negotiating certain terms of the agreement including liability and indemnification. The agreement between PCE and ACES allows for termination by either party without cause by providing 30-day notice. Should ACES services no longer be required or change in scope as a result of the establishment by the state of California of a central buyer for full RA procurement, the CEO's of the Joint CCAs will evaluate the need to continue receiving RA related services from ACES.

Agenda Item: 1c**Agenda Date: 5/8/2019**

Approval of the recommended resolution will authorize the CEO to execute the first addendum to the Cost-Sharing Agreement provided that satisfactory terms and conditions are reached for the RA agreement between ACES and PCE. The CEO will consult with General Counsel on the liability and indemnification provisions. Should all five CCAs elect to take RA services under the addendum, SVCE's expected annual cost will be \$46,000 (\$138,000 over three years). Staff is requesting as a contingency a not-to-exceed authority of \$150,000 over three years, which represents only four CCAs participating.

STRATEGIC PLAN

Approval of the attached Resolution and Cost-Sharing Agreement is in direct support of the Board-approved Strategic Plan as follows:

Goal 11: Manage power supply resources and risks to financial and rate objectives

Strategy 11.1: Optimize existing resources to increase value to SVCE customers and evaluate opportunities to minimize cost of procuring and scheduling electricity and related products; and

11.1.1) Assess core procurement, scheduling, settlements and reporting functions and determine best use of in-house versus outsourced resources

11.1.2) Consider joint procurement for electricity and related services with other CCAs through the formation of a joint power agency and/or other arrangements

11.1.3) Explore opportunities to partner/procure energy and related services with publicly owned utilities

ALTERNATIVE

The Board may elect to not delegate authority to the CEO to execute the Cost-Sharing Agreement and/or the proposed ACES arrangement. Doing so would maintain the status quo whereby SVCE continues to procure RA on its own and/or with the support of PEA at least until September 2019. Staff would need to look at alternatives to PEA beyond September to meet RA procurement and reporting obligations, as current bandwidth cannot support these requirements without a shift in priorities away from meeting SVCE's decarbonization goals.

FISCAL IMPACT

Approval of the Resolution authorizing the CEO to execute the Cost-Sharing Agreement alone does not commit SVCE to spending any dollars; however delegation of authority to the CEO to execute the first addendum under the Cost-Sharing Agreement for RA related services will commit SVCE funds in an amount not to exceed \$150,000 over three years starting as early as June 2019. For Fiscal Year 2019 (FY19), SVCE's expected expenditure is \$26,500 for which is consistent with the current budget for consulting services. SVCE will be re-negotiating portfolio management and other services with PEA and there will be some short-term overlap. SVCE's intention is to at a minimum make the fiscal impact cost-neutral. However, staff anticipates costs savings over the three-year period compared to continuing to obtain such services from PEA.

ATTACHMENTS

1. Resolution 2019-08 Authorizing the Chief Operating Officer to Execute the 1) Cost-Sharing And Reimbursement Agreement Between The Peninsula Clean Energy Authority, The Silicon Valley Clean Energy Authority, City of San Jose, Administrator of San Jose Clean Energy, The East Bay Community Energy Authority and Monterey Bay Community Power Authority; and 2) the Addendum for Resource Adequacy Services with The Alliance for Cooperative Energy Services Power Marketing LLC in an Amount Not to Exceed \$150,000 Dollars for three years through the execution date.
2. Draft Cost-Sharing Agreement

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2019-08

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO EXECUTE THE COST-SHARING AND REIMBURSEMENT AGREEMENT BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY, THE SILICON VALLEY CLEAN ENERGY AUTHORITY, CITY OF SAN JOSE, ADMINISTRATOR OF SAN JOSE CLEAN ENERGY, THE EAST BAY COMMUNITY ENERGY AUTHORITY AND MONTEREY BAY COMMUNITY POWER AUTHORITY AND TO EXECUTE AN ADDENDUM FOR RESOURCE ADEQUACY SERVICES WITH THE ALLIANCE FOR COOPERATIVE ENERGY SERVICES POWER MARKETING LLC

THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY HEREBY RESOLVES AS FOLLOWS:

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

WHEREAS, launch of service for Phase I occurred in April 2017, and launch of service for the remaining Phases occurred in July 2017;

WHEREAS, SVCE has a need to rapidly advance its portfolio management and retail pricing capabilities with the goals of reducing costs, managing risk and enhancing value for its customers in order to further the Board’s Strategic Plan;

WHEREAS, consistent with its mission of reducing greenhouse gas emissions and offering customer choice at competitive rates, SVCE has engaged several consultants to provide support services and enhance SVCE’s internal capabilities;

WHEREAS, SVCE along with Peninsula Clean Energy Authority (PCE), City of San Jose, Administrator of San Jose Clean Energy (SJCE), East Bay Community Energy Authority (EBCE) and Monterey Bay Community Power Authority (MBCP), collectively referred to as Joint CCAs, have a desire to reduce the cost of providing services to their customers related to procuring electricity and resource adequacy, compliance requirements and management of data through the joint procurement of such services (“Services”);

WHEREAS, to enable the joint procurement of Services, the Joint CCAs desire to enter into the Cost-Sharing and Reimbursement Agreement (“Cost-Sharing Agreement”);

WHEREAS, the first service the Joint CCAs desire to procure is for Resource Adequacy (“RA”) management and related services (“RA Services”) provided by the Alliance for Cooperative Energy Services Power Marketing LLC., (ACES);

WHEREAS, MBCP issued a request for proposal (RFP) for RA related services on behalf of the Joint CCAs and ACES was determined by the Joint CCAs to have provided the best proposal;

WHEREAS, PCE has agreed to be the Responsible Party for an agreement with ACES for RA Services and is currently negotiating the terms of the agreement which will form the basis for the first addendum to the Cost Sharing Agreement;

WHEREAS, in order to expedite the commencement of necessary consultant services, the Board wishes to delegate to the Chief Executive Officer the authority to approve any non-material changes, additions, variations or deletions (“Changes”) to the Cost-Sharing Agreement and to execute this Agreement;

WHEREAS, the execution of the Cost-Sharing Agreement does not commit SVCE to any expenditure of funds without the execution of addenda to the Cost-Sharing Agreement for Services;

WHEREAS, the Board also wishes to delegate to the Chief Executive Officer, or his or her designee, authority to execute the addendum for RA Services with ACES with a cost not exceed one-hundred and fifty-thousand dollars, for three years from the execution date;

WHEREAS, no commitment of funds shall be made without the appropriation of such funds by the Board.

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

Section 1. The Board hereby delegates authority to the Chief Executive Officer to execute the Cost-Sharing Agreement and the addendum for RA Services with ACES with terms consistent with those presented to the Board, in a form approved by the General Counsel, subject to Changes that the Chief Executive Officer may deem necessary or appropriate. SVCE’s total expenditures under the first addendum to the Cost-sharing Agreement shall not exceed one-hundred, fifty-thousand dollars for three years from the execution date subject to sufficient appropriations being approved by the Board in each fiscal year.

Section 2. The Board hereby delegates authority to the Chief Executive Officer to execute one or more additional addenda to the Cost-Sharing Agreement for Services provided that each additional addendum falls within the Chief Executive Officer’s Board approved procurement authority and subject to sufficient appropriations being approved by the Board in each fiscal year.

ADOPTED AND APPROVED this 8th day of May 2019, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Gibbons				
City of Cupertino	Director Sinks				
City of Gilroy	Director Tovar				
City of Los Altos	Director Bruins				
Town of Los Altos Hills	Director Corrigan				
Town of Los Gatos	Director Sayoc				
City of Milpitas	Director Nuñez				
City of Monte Sereno	Director Ellahie				
City of Morgan Hill	Director Martinez-Beltran				
City of Mountain View	Director Abe-Koga				
County of Santa Clara	Director Ellenberg				
City of Saratoga	Director Miller				
City of Sunnyvale	Director Smith				

Chair

ATTEST:

Clerk

COST-SHARING AND REIMBURSEMENT AGREEMENT BETWEEN
THE PENINSULA CLEAN ENERGY AUTHORITY,
THE SILICON VALLEY CLEAN ENERGY AUTHORITY,
CITY OF SAN JOSÉ, ADMINISTRATOR OF SAN JOSÉ CLEAN ENERGY,
THE EAST BAY COMMUNITY ENERGY AUTHORITY,
AND MONTEREY BAY COMMUNITY POWER AUTHORITY
FOR PROFESSIONAL CONSULTANT SERVICES

This COST-SHARING AND REIMBURSEMENT AGREEMENT (“Agreement”) is made and entered into on _____, 2019, by and between the Peninsula Clean Energy Authority (“PCE”), the Silicon Valley Clean Energy Authority (“SVCE”), City of San José, Administrator of San José Clean Energy (“SJCE”), the East Bay Community Energy Authority (“EBCE”), and the Monterey Bay Community Power Authority (“MBCP”), for the cost-sharing and reimbursement of costs in connection with the performance of professional services for the (1) due diligence prior to purchase of Resource Adequacy; (2) joint review and purchase of Resource Adequacy; (3) development of specifications for joint data-management services; and (4) additional consultant services as may be desired in the future. In this Agreement, PCE, SVCE, SJCE, EBCE, and MBCP are referred to individually as “Party” and collectively as “the Parties.”

RECITALS

- A. PCE, SVCE, EBCE, and MBCP are joint powers authorities, and SJCE is a department of the City of San José, organized for the purpose of conducting community choice aggregation programs and other energy-related climate change programs.
- B. Staff at PCE, SVCE, SJCE, EBCE, and MBCP have worked and will work together to develop scopes of work for consultant services to be obtained from Request for Proposal (“RFP”) processes and pursuant to written professional services contracts (“Contract” or “Contracts”). The initial scopes of work will require the selected consultants to: (1) conduct due diligence prior to the RFP process(es); (2) jointly review options to purchase electric capacity for Resource Adequacy purposes; (3) provide regulatory compliance-related services for Resource Adequacy; and/or (4) develop specifications for joint data-management services (together, “Services”).
- C. Staff at PCE, SVCE, SJCE, EBCE, and MBCP may work together to develop scopes of work for additional consultant services (“Additional Services”) and desire to establish a master agreement for this purpose.
- D. PCE, SVCE, SJCE, EBCE, and MBCP have agreed to share the costs of the consultants who are selected and whose Services/Additional Services will benefit the Parties as provided in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, PCE, SVCE, SJCE, EBCE, and MBCP mutually agree to the following:

1. Recitals. The Recitals stated above are true and correct and are incorporated by this reference into this Agreement.
2. Addenda and Contracts. Each set of Services and Additional Services secured pursuant to this Agreement shall be described in a scope of work set forth in an addendum to this Agreement (“Addendum” or, pluralized, “Addenda”). Each Addendum must identify, and be signed by, each of the Parties that will be participating in the cost-sharing arrangement for that scope of work (“Participating Parties”), as well as identify the Responsible Party (defined below) and describe the cost-sharing arrangement among the Participating Parties. The Services or Additional Services called for in an Addendum shall be obtained pursuant to a written professional services contract (“Contract”) between the Responsible Party and the selected consultant. Each Contract must include the relevant scope of work, a termination-without-cause provision, and a not-to-exceed dollar amount. With regard to any Contract for which SJCE is the Responsible Party, SJCE, at its sole discretion, will negotiate the inclusion of the following: (1) a provision indicating that obligations under the Contract are special limited obligations of SJCE payable solely from the Designated Fund (defined as the San Jose Energy Operating Fund established pursuant to City of San Jose Municipal Code, Title 4, Part 63, Section 4.80.4050 *et seq.*) (“Designated Fund”), and (2) if the term of a Contract is more than one year, a provision indicating that the term of the agreement is subject to appropriation of funds by the City Council of the City of San José, in its sole discretion. Any Addendum or Contract may be amended as mutually agreed by the Participating Parties, including pursuant to Section 5(c)(i) below.
3. Responsible Party and Non-Responsible Parties. The Party administering the RFP process for any Contract will be the “Responsible Party,” and the remaining Participating Parties for that Contract will be the “Non-Responsible Parties.” The “Responsible Party” for each Contract will be determined by unanimous consent of the Participating Parties for that Contract. This determination will be stated in the Addendum for that Contract.
4. Responsibilities of the Parties.
 - a. The Responsible Party for a Contract will do all of the following:
 - i. Prepare the scope of work for the Services and/or Additional Services to be secured pursuant to the Contract.
 - ii. Issue and administer the RFP for the selected consultant.
 - iii. Jointly select with the Non-Responsible Party/Parties the consultant to provide the Services and/or Additional Services described in the RFP.
 - iv. Enter into a Contract with the jointly selected consultant upon the completion of the RFP process for the Contract. The Participating Parties will mutually agree to terms of the Contract; provided, however, that the Contract must contain the provisions enumerated in Section 2 above.

- v. Make timely payments to the selected consultant under the terms of the Contract and administer and manage the Contract.
 - vi. Send timely invoices to the Non-Responsible Party/Parties listing the payments made to the selected consultant pursuant to the Contract.
 - vii. Directly supervise the professional services provided by the selected consultant.
- b. The Non-Responsible Party/Parties for a Contract will do all of the following:
- i. Jointly assist the Responsible Party in reviewing and evaluating the proposals received by the Responsible Party in response to the RFP.
 - ii. Jointly select with the Responsible Party the consultant to perform the Services and/or Additional Services described in the RFP.
 - iii. Mutually agree, with the Responsible Party, to the terms of the Contract; provided, however, that the Contract must contain the provisions enumerated in Section 2 above.
 - iv. Reimburse, on an equal-share basis, the Responsible Party for the payments made by the Responsible Party to the selected consultant pursuant to the Contract. For example, if four Non-Responsible Parties choose to participate in a Contract (five Participating Parties total), each Non-Responsible Party will pay the Responsible Party twenty percent (20%) of the cost of the payments made by the Responsible Party. Each Non-Responsible Party must pay its share within 30 days of receiving each invoice from the Responsible Party.
 - v. Work cooperatively with the Responsible Party in the Responsible Party's (1) administration and management of the Contract and (2) supervision of the professional services provided by the consultant.
5. Term and Termination.
- a. *Term.* The term of this Agreement will commence on the date first written above and, absent earlier termination pursuant to the provisions below, terminate on December 31, 2022. With regard to SJCE only, the funding in any year may be contingent on future appropriation by the City Council of the City of San José, in its sole discretion. If the funding required to pay for any services for the next fiscal year has not been appropriated by June 30 of any year, this Agreement will automatically terminate for SJCE, effective June 30.

- b. *Termination with or without cause.* Any Party may choose to terminate this Agreement in its entirety, or solely with respect to a particular Addendum for which the Party is a Participating Party, with or without cause upon 30 days' written notice. If the termination is for cause (i.e., default by another Party ("Defaulting Party") of a material term of this Agreement), the terminating Party will give the Defaulting Party a reasonable period of time to cure the default, which in no case shall be less than 15 days.
- c. *Effect of termination/payments owed.* Termination of this Agreement in its entirety, or of this Agreement with respect to a particular Addendum, obligates the terminating Party or Parties to make any outstanding payments owed to the Responsible Party or Parties as follows:
- i. In the event a Party gives notice of termination of this Agreement with respect to a particular Addendum, the remaining Participating Parties listed in that Addendum will promptly decide whether to (1) terminate the Addendum and corresponding Contract; (2) amend the Addendum and Contract to reduce the scope of work and the cost; or (3) continue with the Addendum and Contract as originally drafted and scoped, but reallocating the terminating Party's remaining cost responsibility among the remaining Participating Parties. The remaining Participating Parties will make reasonable efforts to terminate or amend the Addendum and corresponding Contract to reduce the scope of work and/or cost; provided, however, that if they are unable to do so, the terminating Party will remain obligated to pay its shared cost obligation pursuant to the original Addendum; and provided further that, with regard to SJCE only, obligations under this Agreement are special limited obligations of SJCE payable solely from the Designated Fund, and shall not be a charge upon the revenues or general fund of the City of San José or upon any non-SJCE moneys or other property of the City of San José or its Community Energy Department.
 - ii. In addition to (i) above, in the event a Non-Responsible Party terminates this Agreement with respect to a particular Addendum, such Non-Responsible Party will reimburse the Responsible Party for the Non-Responsible Party's share of any unpaid consultant fees, incurred prior to the effective date of termination, that the Responsible Party is obligated to pay under the Addendum. The Non-Responsible Party will make such reimbursement within 30 days of the effective date of the termination.
 - iii. Sections 5(c)(i) and (ii) apply to the termination of this Agreement with respect to a single Addendum or multiple Addenda.
 - iv. If a termination is for cause, any amounts owed under this Section 5(c) and in dispute will be subject to an informal meet and confer between the Participating Parties, to be conducted no later than within 15 days of the effective date of the notice of termination. In the event such informal meet

and confer does not successfully resolve the dispute, the Parties may pursue any remedies available to them under law.

6. Hold Harmless and Indemnification. The indemnification obligations of the Parties shall be as follows:

- a. PCE shall defend, hold harmless and indemnify SVCE, SJCE, EBCE, and MBCP, and their directors, officers, agents and employees from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions or other wrongful conduct of PCE, its directors, officers, agents and/or employees.
- b. SVCE shall defend, save harmless, and indemnify PCE, SJCE, EBCE, and MBCP, and their directors, officers, agents, and employees, from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions or other wrongful conduct of SVCE, its directors, officers, agents and/or employees.
- c. SJCE shall defend, save harmless, and indemnify PCE, SVCE, EBCE, and MBCP, and their directors, officers, agents, and employees, from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions or other wrongful conduct of SJCE, its directors, officers, agents and/or employees.
- d. EBCE shall defend, save harmless, and indemnify PCE, SVCE, SJCE, and MBCP, and their directors, officers, agents, and employees, from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions or other wrongful conduct of EBCE, its directors, officers, agents and/or employees.
- e. MBCP shall defend, save harmless, and indemnify PCE, SVCE, SJCE, and EBCE, and their directors, officers, agents, and employees, from any and all claims for injuries or damage to persons and/or property which arise out of the terms and conditions of this Agreement and which result from the negligent acts or omissions or other wrongful conduct of MBCP, its directors, officers, agents and/or employees.
- f. In the event of concurrent negligence of two or more of PCE, SVCE, SJCE, EBCE, and/or MBCP, or of their directors, officers, agents, or employees, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms and conditions of this Agreement shall be apportioned according to the California theory of comparative negligence.
- g. Unless the Participating Parties to a Contract provide otherwise in the Addendum for that Contract, the duty of any Party to defend, save harmless, and indemnify shall extend only to, and in no circumstance exceed, the share of funds owed by that

Party for the specific Contract(s) out of which such duty arises. With regard to SJCE only, such duty to defend, save harmless, and indemnify extends only to, and in no circumstance will exceed, the Designated Fund for SJCE.

- h. These provisions shall survive expiration or termination of this Agreement.
7. Amendment and Waiver. Except for any Addenda added pursuant to Section 2, no change or modification of this Agreement shall be valid unless the same is in writing and signed by all Parties, and no verbal understanding or agreement not incorporated herein shall be binding on any Party hereto.
 8. Governing Law. This Agreement shall be construed and governed by the laws of the State of California, and any suit or action initiated by any Party shall be brought in the Superior Court for the County of San Mateo, California, or the United States District Court for the Northern District of California.
 9. Time of Essence. Time is of the essence for every provision hereof in which time is a factor.
 10. Benefit of Parties. The terms of this Agreement shall be binding and inure to the benefit of the Parties hereto and their successors and assigns. No Party shall assign this Agreement or any portion thereof to a third party without the prior written consent of all of the other Parties. Any such assignment without prior written consent by one Party shall give any or all of the other Parties the right to automatically and immediately terminate this Agreement without penalty or advance notice. Such termination shall be effective only as to the terminating Party or Parties.
 11. Entire Agreement of the Parties. Except for any Addenda added pursuant to Section 2, this Agreement supersedes any and all agreements, either oral or written, between the Parties with respect to the subject matter of this Agreement and contains all of the representations, covenants, and agreements between the Parties with respect to the subject matter of this Agreement.
 12. Independent Counsel. Each Party has had the opportunity to consult with its own attorney with respect to this Agreement, and in the event that any language contained herein is construed to be vague or ambiguous, this Agreement shall not be strictly construed against any Party.
 13. Notice. Notice given under or regarding this Agreement shall be deemed given upon delivery into the United States Mail if delivery is by postage paid certified mail (return receipt requested), or reputable overnight commercial delivery service. Notice shall be sent to the respective Party at the address indicated below or to any other address as a Party may designate from time to time by a notice given in accordance with this paragraph.

If to PCE:

Jan Pepper, CEO
Peninsula Clean Energy
2075 Woodside Road
Redwood City, California 94061

jpepper@peninsulacleanenergy.com

If to SVCE: Girish Balachandran, CEO
Silicon Valley Clean Energy
333 W. El Camino Real, Suite 290
Sunnyvale, CA 94087
girish@svcleanenergy.org

If to SJCE: Lori Mitchell, Director
cc: Luisa Elkins, Senior Deputy City Attorney
San Jose Clean Energy
200 E. Santa Clara St., 14th Floor
San José, CA 95113
Lori.Mitchell@sanjoseca.gov
Luisa.Elkins@sanjoseca.gov

If to EBCE: Nick Chaset, CEO
East Bay Community Energy
1111 Broadway, 3rd Floor
Oakland, CA 94607
nchaset@ebce.org

If to MBCP: Tom Habashi, CEO
Monterey Bay Community Power Authority
70 Garden Couty, 3rd Floor
Monterey, CA 93940
thabashi@mbcommunitypower.org

14. Invalid Provision. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.
15. Headings and Captions. The headings and captions used in this Agreement are for convenience only and shall in no way define, limit, or describe the scope or intent of the Agreement or any part thereof.
16. Counterparts. This Agreement may be executed in counterpart originals, each of which is deemed to be an original for all purposes.

IN WITNESS WHEREOF, the Parties have executed this Agreement below on the date first written above.

Peninsula Clean Energy Authority

Date: _____

By: _____

Silicon Valley Clean Energy Authority

Date: _____

By: _____

**City of San José, Administrator of San José
Clean Energy**

Date: _____

By: _____

East Bay Clean Energy Authority

Date: _____

By: _____

Monterey Bay Community Power Authority

Date: _____

By: _____



Staff Report – Item 1d

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1d: Authorize the Chief Executive Officer to Execute Agreement with Strategic Energy Innovations for Climate Corps Bay Area Fellows

Date: 5/8/2019

RECOMMENDATION

Authorize the CEO to execute the Service Agreement, any nonfinancial amendments, and other related documents for Climate Corps fellow hosting services with the nonprofit Strategic Energy Innovations, not to exceed \$111,550 through June 30, 2020.

BACKGROUND

SVCE was introduced to Strategic Energy Innovations (SEI) and the Climate Corps Bay Area (CCBA) fellowship program through the City of Cupertino’s sustainability office, who had a fellow placed there for the 2017 – 2018 CY, who worked on outreach projects for SVCE. In recognizing the need for additional outreach support in SVCE’s pre-launch period, the CCBA fellow transferred to working solely with SVCE in January 2017. The following year, 2017-2018, SVCE elected to have two fellows to better implement and improve outreach efforts and in 2018-2019, SVCE elected to host another CCBA fellow to lead Bike to the Future and support additional outreach projects.

SEI’s services include recruitment for fellows along with preliminary interviews, monthly trainings for fellows, and opportunities for professional development. The CCBA fellowship extends over a 10-month period and the services include helping staff with outreach, communications efforts, report preparation, and any other needs the organization has for marketing and program development.

ANALYSIS & DISCUSSION

One of the core reasons that SVCE was established was to curb climate change through purchasing carbon-free electricity and supporting programs that aligned with this mission. The CCBA fellowship program allows young professionals to work with companies, agencies and local governments on projects that address climate change issues. Hosting a CCBA fellow will not only help to develop the professional skills of recent college graduates, but it will also help SVCE continue reaching the organization’s goals set forth in the adopted strategic plan.

A CCBA fellow has been hosted at SVCE the past three cycles. Climate Corps fellows have been instrumental in the success of SVCE outreach projects. A second, well-attended Bike to the Future scholarship competition was organized by SVCE’s current fellow, an event that is planned to be implemented annually. The current fellow has also developed content for social media, improving our reach and engagement through these channels.

SVCE is interested in hosting two fellows again for the next Climate Corps program cycle – one to assist with communications and outreach, and one to assist the decarbonization and grid innovation programs team with the implementation and analysis of SVCE programs.

The added benefit of working with a defined fellowship program is that much of the recruitment effort and liability for the fellows is managed by SEI.

The scope of work for SEI includes:

- Recruitment assistance
- Training and support of selected fellows
- Development of metrics for Fellows to measure and track progress
- Provide monthly follow-ups to review progress

Climate Corps Bay Area fellows support the next generation of climate leaders, and the potential return on investment for SVCE is customer retention through better community outreach, and additional support for program implementation.

STRATEGIC PLAN

In SVCE's strategic plan, the customer and community section places an emphasis on customer awareness. Continuing to have a CCBA fellow helps SVCE to achieve awareness goals by having extra staff available to attend more community meetings and events. The strategic plan also outlines our goal to reduce GHG emissions community wide 30% by 2021. Adding a fellow to the decarbonization team would help SVCE to reach this goal as it would reduce workload on existing staff and increase efficiency to launch programs that would support SVCE's strategic plan goals.

ALTERNATIVE

One alternative is to not hire any Climate Corps Fellows, and the planning and execution of next year's Bike to the Future event will fall to staff. The small outreach team at SVCE will also share the increased workload of supporting outreach events throughout the SVCE service area. Without a fellow to help with any programs, the decarbonization team would be required to do all work with their small staff which could potentially slow down the implementation and creation of programs.

A second alternative would be to hire only one Climate Corps Fellow. This option would cost less, however the increased workload on a single fellow could reduce the amount of quality work seen. The Bike to the Future program is already a full-time project for one fellow which would mean less time and help dedicated to the decarbonization team.

FISCAL IMPACT

The fiscal impact of this agreement would be \$111,550.00.

ATTACHMENTS

1. Draft Service Agreement with Strategic Energy Innovations

**AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY
AND
STRATEGIC ENERGY INNOVATIONS FOR
CLIMATE CORPS FELLOW HOSTING SERVICES**

THIS AGREEMENT, is entered into this 1st day of August 2019, by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency, ("Authority"), and Strategic Energy Innovations, a nonprofit organization whose address is 899 Northgate Dr #410, San Rafael, CA 94903 (hereinafter referred to as "Consultant") (collectively referred to as the "Parties").

RECITALS:

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

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

C. Authority and Consultant desire to enter into an agreement for Climate Corps fellows hosting upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**

The term of this Agreement shall commence on August 1, 2019, and shall terminate on June 30, 2020, unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED**

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

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed one hundred and eleven thousand, five hundred and fifty dollars (\$111,550.00) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**

Consultant and Authority agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE**

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

6. **INDEPENDENT PARTIES**

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

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

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

8. **NON-DISCRIMINATION**

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

9. **HOLD HARMLESS AND INDEMNIFICATION**

Consultant shall, to the fullest extent allowed by law indemnify, defend, and hold harmless the Authority and its members, officers, officials, agents, employees and volunteers from and against any and all liabilities, claims, actions, causes of action, demands, damages and losses whatsoever against any of them, including any injury to or death of any person or damage to property or other liability of any nature, whether physical, emotional, consequential or otherwise, arising out of or related to the negligence or willful misconduct of Consultant or Consultant's employees, officers, officials, agents or independent contractors in the performance of this Agreement, except where caused by the sole or active negligence or willful misconduct of Authority or its members, officers, officials, agents, employees and volunteers. Such costs and expenses shall include reasonable attorneys' fees of counsel of Authority's choice, expert fees and all other costs and fees of litigation. The acceptance of the services provided by this Agreement

by Authority shall not operate as a waiver of the right of indemnification. The provisions of this Section survive the completion of the services or termination of this Agreement.

10. **INSURANCE:**

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

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

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

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

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

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

Agreement, or the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

11. **CONFLICT OF INTEREST**

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

12. **PROHIBITION AGAINST TRANSFERS**

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

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

13. **SUBCONTRACTOR APPROVAL**

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

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

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

14. **REPORTS**

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

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

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

D. All Reports shall also be provided in electronic format, both in the original file format (e.g., Microsoft Word) and in PDF format.

E. No Report, information or other data given to or prepared or assembled by Consultant pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by Consultant without prior approval by Authority.

15. **RECORDS**

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

16. **PARTY REPRESENTATIVES**

The Chief Executive Officer shall represent the Authority in all matters pertaining to the services to be performed under this Agreement. Nathan McKenzie shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **CONFIDENTIAL INFORMATION**

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

18. **NOTICES**

All notices, demands, requests or approvals to be given under this Agreement shall be given

in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States Mail, postage prepaid, registered or certified, addressed as hereinafter provided.

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

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

TO CONSULTANT:
Nathan McKenzie
Strategic Energy Innovations
899 Northgate Drive, Suite 410
San Rafael, CA 94903

19. **TERMINATION**

In the event Consultant fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If Consultant fails to cure the default within the time specified (which shall be not less than 10 days) and according to the requirements set forth in Authority's written notice of default, and in addition to any other remedy available to the Authority by law, the Chief Executive Officer may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. The Chief Executive Officer shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) calendar days' prior written notice to Consultant as provided herein. Upon receipt of any notice of termination, Consultant shall immediately discontinue performance.

Authority shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to the Authority any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of Authority.

20. **COMPLIANCE**

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

21. **CONFLICT OF LAW**

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

22. **ADVERTISEMENT**

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

23. **WAIVER**

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

24. **INTEGRATED CONTRACT**

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

25. **AUTHORITY**

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

26. **INSERTED PROVISIONS**

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

27. **CAPTIONS AND TERMS**

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

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

RECOMMENDED FOR APPROVAL

Don Bray
Director of Account Services and Community Relations

CONSULTANT NAME
Strategic Energy Innovations

By: _____
Name: _____
Title: _____
Date: _____

SILICON VALLEY CLEAN ENERGY
AUTHORITY
A Joint Powers Authority

By: _____
Name: Girish Balachandran
Title: Chief Executive Officer
Date: _____

APPROVED AS TO FORM:

Counsel for Authority

ATTEST:

Authority Clerk

Exhibit A Scope of Services

Through Climate Corps, SEI agrees to:

- Recruit and assist in selection of two Fellows for a commitment of 1480 hours over a period of 10 months.
- Train and support the selected Fellows with a comprehensive training program that includes a training manual, a multi-day orientation led by an array of experts, monthly trainings, a mid-year two-day retreat, and two Professional Development Assessment reviews.
- Work with the Partner to develop a specific Fellowship Scope for specific Partner initiatives that aligns with Climate Corps goals and defines the Training Plan for the Fellow.
- Provide assistance in defining and developing metrics for the Fellows to measure and track the progress of project activities throughout their Fellowship.
- Provide monthly follow-ups to review progress with Site Supervisor and Fellows.
- Define and implement any corrections to Fellow's plan determined to be necessary based on feedback collected from Fellows and Partner.

Partner agrees to:

- Take part in the recruitment and interview process to identify Fellows best fitted for the specific projects' needs, with the understanding that Partner has right of refusal of any proposed Fellows.
- Provide one to three specific climate resiliency initiatives that their Fellows can work on during their term of service.
 - Initiatives must be well-defined, approved for implementation, and include specific learning objectives.
 - Partner Agency will work with SEI to finalize a mutually agreed-upon Fellowship Scope no later than one month after the Fellows arrives on site.
- Assign a Site Supervisor who will be available to meet at least weekly with the Fellows for one-on-one project meeting time, coordinate other necessary staff supervision needed for successful implementation of the Fellowship Scope.
- Support Fellows to complete monthly reporting to SEI indicating whether progress is being made on the initiatives.
- Provide feedback on Program and Fellows effectiveness by:
 - Filling out and submitting a Professional Development Assessment providing feedback on Fellow activities two times a year;
 - Participating in program-wide conference calls to discuss program progress; and
 - Responding to Partner Agency feedback surveys as requested.
- Attend or send a representative to Partner Orientation.
- Not to hire Fellow for projects related to SEI community service programs during the Fellowship term (if the Partner decides to hire the Fellow for like projects prior to the completion of the program year of service, the MOU will be considered terminated, and SEI will be due estimated program costs as set forth below).

- Refrain from using the Fellows for displacement of a Partner Agency employee during the Fellowship term. Assume full risk and responsibility for any accidents related to allowing the Fellow to operate any Partner-owned vehicles while under this contract.
- Allow SEI to share results from this program through grant reporting, program marketing, and fundraising.
- Provide program-wide support through either:
 - Sponsoring a venue and staff presentations for a monthly training event for all Fellows; or
 - Participating in a program sponsored training session or professional development event.

Being receptive to informational interview requests from 1 or more current Fellows

Exhibit B
Schedule of Performance

This schedule may be modified with the written approval of the Authority.

Task	Begin	Complete
1. Fellow Interviews and Recruitment	May 2019	August 2019
2. Fellowship Cycle	September 2019	June 2020

Exhibit C
Compensation

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

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit “A” and reimbursable expenses shall not exceed a total of one hundred and eleven thousand, five hundred and fifty dollars (\$111,550), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

Task	Estimated Budget
1. Fellow 1	\$ 48,500
2. Fellow 2	\$ 48,500
3. SEI Administrative Costs	\$14,550
Total	\$111,550

Invoices

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

Reimbursable Expenses

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority.

Additional Services

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

Exhibit D
Insurance Requirements and Proof of Insurance

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

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

- (1) **Workers' Compensation:**
Statutory coverage as required by the State of California.
- (2) **Liability:**
Commercial general liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required.
- (3) **Automotive:**
Comprehensive automotive liability coverage with minimum limits of \$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.
- (4) **Professional Liability**
Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.



Staff Report – Item 2

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 2: CEO Report

Date: 5/8/2019

REPORT

SVCE Staff Update

SVCE's Energy Consultant and Associate Energy Consultant positions closed on May 1, 2019; interviews will be scheduled in the coming weeks.

Stanford Cleantech Challenge

SVCE was a sponsor of the inaugural Stanford Cleantech Challenge on April 12-14, where we challenged students to develop solutions for improving information and awareness of all-electric building design and addressing barriers to electrifying single-family homes. After 24 hours of hacking, the teams pitched their ideas. Each sponsor chose the winning team for their challenge area. The winning team of SVCE's challenge, aptly named the Home Team, was also selected to win the overall grand prize by an independent panel of judges. Their solution focused on partnering with solar providers to add electrification options to their commercial product offerings. These offerings would also integrate with the Internet of Things to optimize electricity usage and provide grid services while allowing the household to easily manage their utility bill.

Innovation Onramp Launched

The first application deadline for SVCE's Innovation Onramp program closed April 30. Innovation Onramp is a program for awarding small grants to external partners for pilot projects addressing key technical, market and policy barriers to achieve deep decarbonization. SVCE received 15 applications from public, private, and academic applicants. The proposals spanned topics such as tools for decarbonizing community colleges and schools, data analytics to inform land use planning, and enhanced data access to accelerate efficiency, solar, and storage deployment. Staff are currently evaluating applications and anticipate executing the first set of pilot partnership agreements by June.

Rates Update

Over the past few weeks, there have been new developments on PG&E's rate changes for 2019. Firstly, PG&E implemented new generation rates in its April 19th AET advice letter, effective May 1 per FERC required rate changes. The new generation rate increase averages approximately 1% across all rate schedules per PEA. With this interim rate increase, SVCE's average discount to PG&E generation rates has increased to 7%. This reflects SVCE's rate update effective May 1st, which returned SVCE's discount to 6% based on PG&E's rates effective March 1st, 2019. And PG&E is now projecting a weighted average 3.5% increase in generation rates for July 1st from March 1st, versus the 6.5% decrease that had been anticipated. Although the May 1 rate change was expected, PG&E unexpectedly included 6 other changes including decommissioning costs for Diablo Canyon in the generation rate change.

Agenda Item: 2**Agenda Date: 5/8/2019**

Secondly, PG&E filed PCIA rates effective July 1 on April 18th through its ERRR advice letter. PG&E's proposed weighted average 10.5% increase in PCIA is significantly higher than SVCE's current projections of 1.5%. SVCE is protesting the advice letter on May 8 stating that the brown power true-up should result in a lower PCIA.

The third AET advice letter expected in June, will implement final gen and PCIA rates which are not expected to change unless the brown power true protest is granted.

In summary, it should be noted that these PG&E projections for July 1 are not final. Yet if SVCE is to return to a 1% discount relative to PG&E for the balance of 2019, these new projected changes to PG&E gen rates and PCIA as of July 1st would mean a sizable increase in SVCE rates and contribution to operating reserves. For Board approval at the June SVCE Board meeting staff will present guidelines on potential conditions, if any, under which to increase the planned August 1st discount from 1%. Conditions will be based on actual PG&E rates for July 1, ratepayer impact, level of SVCE reserve contribution and other factors.

AMI Audit Results

The California Public Utilities Commission ("CPUC") through Decision 12-08-045 mandates that every CCA perform an AMI (Advanced Metering Infrastructure) audit every three years. The AMI audit audited SVCE's internal privacy and data security policies regarding "Covered Information", as defined in 12-08-045 for the period from inception of operations, April 1, 2017, through December 31, 2018. The AMI audit produced a "clean" report and findings have been submitted to the CPUC. Further details of the report will be presented by the external auditor at the next Audit Committee meeting; the report is attached as Attachment 1.

CEO Agreements Executed

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

- 1) Creative F5: Graphic and Web Design Services, not to exceed \$35,000
- 2) Joint Venture Silicon Valley: Reach Code Stakeholder Engagement Services, not to exceed \$50,000
- 3) The Fairgrounds Management Corp.: Bike to the Future Facility Rental, \$7,847

CEO Power Supply Agreements Executed

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

Counter Party Name	Execution Date	Transaction Type	Product	Start Date	End Date	Notional Value
Shell Energy North America (US), L.P.	4/3/2019	Purchase	Carbon-Free	5/1/2019	12/31/2019	\$224,250.00
Shell Energy North America (US), L.P.	4/4/2019	Purchase	Physical Price Hedge	1/1/2021	12/31/2021	\$19,492,931.25
TransAlta Energy Marketing (U.S.) Inc.	4/4/2019	Purchase	Physical Price Hedge	1/1/2020	12/31/2020	\$7,626,418.50
Southern California Edison	4/26/2019	Sale	South System	8/1/2019	8/31/2019	\$231,250.00
Southern California Edison	4/25/2019	Sale	Import Allocation Rights	8/1/2019	8/31/2019	\$46,000.00
Southern California Edison	4/25/2019	Sale	Import Allocation Rights	8/1/2019	8/31/2019	\$100,000.00

These agreements are included in the Board packet as Appendix A.

ATTACHMENTS

1. AMI Audit Report
2. Regulatory/Legislative Update, May 2019
3. Account Services & Community Relations Update, May 2019
4. Agenda Planning Document, May 2019 – August 2019



SILICON VALLEY CLEAN ENERGY AUTHORITY

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

REPORTING YEAR 2018

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Silicon Valley Clean Energy Authority
Sunnyvale, California

and

California Public Utilities Commission
San Francisco, California

We have performed the procedures enumerated below, which were agreed to by Silicon Valley Clean Energy Authority ("SVCE") and the California Public Utilities Commission ("CPUC") (the specified parties), solely to assist SVCE with respect to complying with third party verification requirements of Decision 12-08-045 (the "Decision") as it relates to SVCE's internal privacy and data security policies regarding "Covered Information", as defined in the Decision, for the period from inception of operations, April 1, 2017, through December 31, 2018. SVCE's management is responsible for its compliance with those requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1) We obtained the following documents from SVCE:

- List of all customers from which SVCE collected Covered Information
- Latest privacy notice (version prior to December 31, 2018) provided to customers
- Internal privacy and data security policies
- Categories of agents, contractors, and other third parties to which SVCE disclosed Covered Information for a primary purpose
- List of agents, contractors, and other third parties to which SVCE disclosed Covered Information for a secondary purpose, if any
- List of disclosures pursuant to legal requests, if any
- List of security breaches, if any

2) We performed the following procedures with respect to these documents:

A. Data Security and Information Technology (IT) Environment and Controls:

- i. The internal and external security vulnerability scans were performed by third party IT Specialists to ascertain that SVCE implemented technical and physical safeguards to protect Covered Information from unauthorized access, destruction, use, modification, or disclosures. We obtained the work of the IT Specialists that reported the results of their procedures as follows:
 1. Based on the IT security vulnerability scans performed, the IT Specialists noted that SVCE implemented technical and physical safeguards to protect Covered Information from unauthorized access, destruction, use, modification, or disclosures. No exceptions were noted.

A. Data Security and Information Technology (IT) Environment and Controls (continued):

- ii. Ascertain that upon any breach affecting 1,000 or more customers, SVCE notified the CPUC within two weeks of the detection, or within one week of notification.
 - 1. Upon inquiry of SVCE's management, management represented that SVCE did not have any breach affecting 1,000 or more customers during the period from inception of operations, April 1, 2017, through December 31, 2018. As such, this step was not applicable and was not performed.

B. Transparency:

- i. Ascertain that a privacy notice was provided to customers from which SVCE collected Covered Information.
 - 1. We noted that SVCE's privacy notice is available at all times at <https://www.svcleanenergy.org/customer-confidentiality>. Furthermore, the link to this policy is included on each customer's monthly utility bill on an annual basis. Any changes to this policy between notification periods will be communicated through SVCE's website. No exceptions were noted.
- ii. We inspected the latest privacy notice and ascertained that it contained the language described in the Decision. No exceptions were noted.

C. Use and Disclosure:

- i. Ascertain that authorizations were obtained from customers for the disclosure of Covered Information to third parties for a primary purpose, other than to an entity exempted under Decision 12-08-045, Attachment B, 6(b) and 6(c).
 - 1. Upon inquiry of SVCE's management, management represented that SVCE did not disclose Covered Information to third parties for a primary purpose, other than to an entity exempted under Decision 12-08-045, Attachment B, 6(b) and 6(c), during the period from inception of operations, April 1, 2017, through December 31, 2018. As such, this step was not applicable and was not performed.
- ii. Ascertain that authorizations were obtained from customers for the disclosure of Covered Information to third parties for a secondary purpose.
 - 1. Upon inquiry of SVCE's management, management represented that SVCE did not disclose Covered Information to third parties for a secondary purpose during the period from inception of operations, April 1, 2017, through December 31, 2018. As such, this step was not applicable and was not performed.
- iii. Ascertain that a notice was provided to the applicable customer within seven days for the disclosure of Covered Information as a result of a subpoena or legal proceedings.
 - 1. Upon inquiry of SVCE's management, management represented that SVCE did not disclose Covered Information to third parties as a result of a subpoena or legal proceedings during the period from inception of operations, April 1, 2017, through December 31, 2018. As such, this step was not applicable and was not performed.

D. Data Minimization:

- i. Ascertain that Covered Information was maintained only for as long as reasonably necessary or as authorized by the CPUC to accomplish a specific primary purpose or for a specific secondary purpose authorized by the customers.
 1. We noted that SVCE has in place records retention policies and procedures to ensure that the use and retention of Covered Information is minimized if followed. No exceptions were noted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on SVCE's compliance with the requirements of Decision 12-08-045. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to Silicon Valley Clean Energy Authority and the California Public Utilities Commission.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to be and should not be used by anyone other than these specified parties.



April 23, 2019



SVCE Regulatory and Legislative Update

May 2019

Hilary Staver, Manager of Regulatory and Legislative Affairs

As we close the books on April and approach the halfway point of the legislative session, 2019 continues to be a year of big issues in which the regulatory and legislative conversations are increasingly blurred together. Questions of who should ultimately be responsible for state policy goals and what powers they should wield in the name of that responsibility continue to play out in the Integrated Resource Planning, Resource Adequacy, and Direct Access proceedings at the CPUC, and the evolution of this year's bills in Sacramento has produced several aimed at the same issues. Highlights include:

Regulatory

- On 4/25/19 the CPUC approved the Proposed Decision in the **Integrated Resource Planning** proceeding. Shortly before the vote, the PD was revised to clarify the purpose of the new procurement track created by the PD. The procurement track will focus on backstop procurement of resources where load-serving entities fail to deliver on procurement indicated in their IRPs or where collective action is needed to procure large resources.
- The **Resource Adequacy** proceeding continues its exploration of what a central buyer for local RA should look like. The first of four two-day stakeholder workshops took place on 4/22-4/23, and was dedicated to debating the residual vs full central buyer models. CalCCA will host the next workshop, which will focus on who the central buyer should be and comparing possible candidates. This proceeding is still aiming to produce a Proposed Decision on the structure of the central buyer by Q4 2019.
- On 4/29/19, the Commission released a Proposed Decision in the expedited **Direct Access** proceeding. This is the PD that determines how the 4,000 GWh added to the direct access cap by SB 237 last year will be rolled out. The PD sets a two-year implementation timeline, with 2,000 GWh opening January 1, 2020 and the other 2,000 opening January 1, 2021.
- We have received additional information on the final PG&E generation and PCIA rates for 2019. See the update in the CEO report for more details.

Legislative

- The week of April 15th was spring recess in the legislature, followed by a series of important committee hearings the week of April 22nd. SVCE and CalCCA's priority opposition bills have all made it through policy committee hearings (Energy, Natural Resources, etc.) to the Appropriations committees or the Senate and Assembly floors. However, the committee hearings resulted in positive amendments to many of them, so we are in the process of reevaluating our positions as the amended versions of the bills become available.
- Due to lack of representation on the two energy committees, few of SVCE's legislators have been called on to vote on SVCE-relevant bills thus far. However, this will change in the second half of May as bills move out of their final committees to the floor of each house. That will be a time of increased outreach need as we urge our delegation to vote in support of CCAs on various bills. SVCE held a legislative ad hoc committee meeting on 4/24 to prep for this period of increased outreach need by reviewing key bills. SVCE staff will reach out to the Board with an update on key bills and outreach asks as needed as we move to the floor vote period.



Governor Newsom's Wildfire Strike Force Report

- On April 12th the Strike Force formed by the Governor following his State of the State Address issued its highly anticipated wildfire report. The report focused on prevention and response to wildfires, a renewed commitment to clean energy, shared responsibility of wildfire costs, strengthening utility market regulation and holding PG&E accountable for safety. The report made several recommendations which will be considered during the current legislative season. From the CCA perspective the report discusses making communities more resilient by considering updates to codes and other preventative and response measures. The report continues the perception held by CPUC President Picker, that "CCAs typically do not have credit ratings which can limit their ability to obtain the financing necessary to enter into long-term contracts at the scale needed to achieve a zero-carbon grid by 2045 and to meet Resource Adequacy (RA) requirements." (p. 19-20)



Account Services & Community Relations Update

May 2019

1a. Outreach Events & Sponsorships

- Throughout Earth Month, staff attended more than 15 events in just a short couple of weeks.
- A list of events were provided last month, but here are ones that were not included in the last report.
- Estimated reach:
~1,500 residents

Date	Time	Description	Location
Apr. 22	1:30 – 2:30 PM	Saratoga Arbor Day – <i>tabling</i>	Saratoga
Apr. 23	11:45 AM – 12:30 PM	Los Altos High School Earth Day - <i>tabling</i>	Los Altos
Apr. 24	10 AM – 12 PM	Energy Efficiency presentation with BayREN for the South County Lifelong Learning Program	Morgan Hill
Apr. 25	10 AM – 3 PM	Tesla Employee Earth Day – <i>tabling</i>	Fremont

1b. Earth Month Events



Saratoga Blossom Festival



Cupertino Earth & Arbor Day



Los Altos Hills Earth Day



Los Gatos Spring Into Green

1c. Earth Month Events



Google Employee Earth Day



Facebook Employee Earth Day

2. Customer Participation

	Upgrade	Opt Out	Opt Outs by Account Type	Total Opt Out, All Accounts
Residential	1,133	9,025	3.58%	3.51%
Commercial	2,003	856	2.95%	

3. CAPIO EPIC Award

- The SVCE communications team won an EPIC award from the California Association of Public Information Officials (CAPIO) for our 2018 Understanding Your Bill video and campaign.
- The Excellence in Public Information and Communications (EPIC) Awards are a peer-evaluated awards program with entries judged by more than 80 communications professionals throughout the country.
- The award was presented during the annual conference in early-April.
- CAPIO is a membership organization serving more than 600 professionals throughout the public sector.



Paige Wenzel, Community Outreach Specialist, and Pamela Leonard, Communications Manager, accept the award on April 10, 2019.

4. Member Agency Working Group Update

The April MAWG meeting covered the following:

- Sunnyvale - Draft Climate Action Plan kickoff
- New Rate Options via PG&E – EVA, AG, Commercial TOU opt in
- Programs Updates
 - Innovation programs
 - Grid integration programs – “virtual power plant” initiative
 - Heat pump cost-effectiveness analysis, report and webinar
 - All-Electric Design Grants
 - Reach Codes – Feedback request and review of grant process

5. Media

Latest SVCE News

- [Opinion: Community choice agencies stabilizing power industry](#), *The Mercury News*, 04-19-2019
- [Celebrating two years of clean energy](#), Mountain View Voice, 04-26-2019

Mentions

- [A day for the Earth](#), *The Morgan Hill Times*, 04-25-2019

	MAY 2019	JUNE 2019	JULY 2019	AUGUST 2019
MILESTONES				
ADMINISTRATION, POLICIES, ETC.	<p>Board of Directors, May 8</p>	<p>Board of Directors, June 12: <u>Consent:</u> Minutes April 2019 Treasurer Report Power Contracts ERM Policy Update</p> <p><u>Regular Calendar</u> IT Audit Results AMI Audit Results SVCE Rates - August 2019 and Beyond IRP Update Strategic Plan Update</p>	<p>Board of Directors, July 10: CANCELLED</p>	<p>Board of Directors, Aug 14: <u>Consent:</u> Minutes May/June 2019 Treasurer Report Policy Updates</p> <p><u>Regular Calendar</u> SVCE Rates Update RFP Update Proposed FY 19/20 Budget</p> <p><u>Closed Session</u> CEO Review</p>
	<p>Executive Committee, May 24: Special Presentation on Specific Decarbonization Programs Strategic Plan Update Rates Discussion</p>	<p>Executive Committee, June 28: Special Presentation on Specific Decarbonization Programs Future Stakeholder Input</p>	<p>Executive Committee, July 26: CANCELLED</p>	<p>Executive Committee, Aug 23: Special Presentation on Specific Decarbonization Programs</p>
	<p>Audit Committee, TBD: Receive IT Audit AMI Audit Results</p>			
	<p>Finance and Administration Committee, TBD: Select Chair/Vice Chair of the Committee Set 2019 Regular Meeting Calendar</p>			



Staff Report – Item 3

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 3: SVCE and Monterey Bay Community Power 2019 Joint Request for Proposals for Carbon-Free Renewable Resources Update

Date: 5/8/2019

This item will be discussed in the form of a presentation to the Board of Directors providing an update on the joint request for proposals for carbon-free renewable resources issued by Silicon Valley Clean Energy and Monterey Bay Community Power.



Staff Report – Item 4

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 4: Interim Update on Built Environment and Mobility Programs

Date: 5/8/2019

This item is an informational report that will be addressed in the form of a presentation to the Board. The purpose is to provide an update on initiatives within the “Built Environment” and “Mobility” program focus areas in the Decarb Strategy & Programs Roadmap, including specifically the following.

- **Status of the reach code effort, including timeline, milestones, outreach activities and materials, individual member agency participation, and a recent contract with Joint Venture Silicon Valley’s to supplement stakeholder engagement activities.**
- **Status of SVCE’s EV charging infrastructure joint planning effort and our two-county coalition application for block grant funding for EV charging infrastructure to the California Energy Commission’s California Electric Vehicle Incentive Program (CALeVIP).**

The presentation for this item will be provided Tuesday, May 7th, 2019.



Staff Report – Item 5

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 5: Bike to the Future 2019 Recap

Date: 5/8/2019

This item will be discussed in the form of a presentation to the Board of Directors highlighting the April 27, 2019 Bike to the Future event.



Staff Report – Item 6

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 6: Executive Committee Report

Date: 5/8/2019

The Executive Committee met on April 26, 2019 and this item will be addressed as an oral report to the Board.



Staff Report – Item 7

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 7: Finance and Administration Committee Report

Date: 5/8/2019

No report as the Finance and Administration Committee has not met since January 25th, 2019.



Staff Report – Item 8

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 8: Legislative Ad Hoc Committee Report

Date: 5/8/2019

The Legislative Ad Hoc Committee met April 24, 2019 and this item will be addressed as an oral report to the Board.



Staff Report – Item 9

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 9: Audit Committee Report

Date: 5/8/2019

No report as the Audit Committee last met February 4, 2019.



Silicon Valley Clean Energy
Board of Directors Meeting

May 8, 2019

Appendix A

Power Resource Contracts Executed by CEO

CONFIRMATION

Reference:

This Confirmation is governed by the Master Power Purchase and Sale Agreement
Between Shell Energy North America (US), L.P. (“Seller”)
And
Silicon Valley Clean Energy Authority, a California joint powers authority (“Buyer”)
dated, November 28, 2016 (the “Master Agreement”)
Transaction Date: April 3, 2019 (the “Effective Date”)

RECITALS:

WHEREAS, pursuant to California Public Utilities Code Sections 366.1, et. seq., Buyer has been registered as a Community Choice Aggregator (the “CCA”);

WHEREAS, Buyer is a California joint powers authority, which has established Silicon Valley Clean Energy for purposes of delivering CCA service to certain customers located within the County of Santa Clara;

WHEREAS, Seller and Buyer desire to set forth the terms and conditions pursuant to which Seller shall supply the Product to Buyer, and Buyer shall take and pay for such supply of Product subject to satisfaction of the conditions herein; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements in this Confirmation and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. **DEFINITIONS.** Any capitalized terms used in this Confirmation but not otherwise defined below shall have the meaning ascribed to such term in the Master Agreement:

“ACS” means “asset-controlling supplier” as that term is defined in the Cap and Trade Regulations.

“Applicable Law” means any statute, law, treaty, rule, tariff, regulation, 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, or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time, that apply to either or both of the Parties, the Project(s), or the terms of the Agreement.

“CAISO” means the California Independent System Operator Corporation or the successor organization to the functions thereof.

“CAISO Tariff” means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including

the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.

“Cap and Trade Regulations” means the Mandatory Greenhouse Gas Emissions Reporting and California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations (California Code of Regulations Title 17, Subchapter 10, Articles 2 and 5 respectively) promulgated by the California Air Resources Board of the California Environmental Protection Agency pursuant to the California Global Warming Solutions Act of 2006.

“Carbon Free Energy” means Energy generated by Carbon Free Sources.

“Carbon Free Energy Contract Price” means the price (\$/MWh) to be paid by Buyer to Seller for the Carbon Free Energy Contract Quantity delivered hereunder, as set forth on Exhibit A.

“Carbon Free Energy Contract Quantity” means the quantity of Energy set forth in Exhibit A.

“Carbon Free Source” means any energy source, except for nuclear-powered generation assets, that is located within the WECC and that is considered by the State of California to have zero Greenhouse Gas emissions in accordance with the Cap and Trade Regulations. Carbon Free Source does not include any Category 3 Renewables, ACS resources or any energy source with an e-tag with a source point associated with a nuclear or coal-fired generating facility.

“Category 3 Renewable” means the Renewable Energy Credits that satisfy the requirements of Section 399.16(b)(3) of the California Public Utilities Code, as applicable to the REC Vintage transferred hereunder.

“CEC” means the California Energy Commission.

“Change in Law” has the meaning set forth in Section 2.2 hereof.

“Commercially Reasonable Efforts” for the purposes of this Confirmation, “commercially reasonable efforts” or acting in a “commercially reasonable manner” shall not require a Party to undertake extraordinary or unreasonable measures.

“Compliance Obligation” has the meaning set forth by the Cap and Trade Regulations.

“CPUC” means the California Public Utilities Commission.

“Customers” means the residential, commercial, industrial, and all other retail end use customers that have not opted out of the Silicon Valley Clean Energy Program, as designated from time to time by Buyer as being served by Buyer within the jurisdictional boundaries of the County of Santa Clara.

“Delivery Period” shall be the period beginning on the Start Date and ending on the End Date, as set forth in Section 3 below.

“Delivery Point” has the meaning set forth in Section 4 hereof.

“Effective Date” has the meaning set forth in the Reference Section at the beginning of this Confirmation.

“Energy” means electrical energy, measured in MWh.

“Eligible Renewable Energy Resource” or “ERR” means an Eligible Renewable Energy Resource as such term is defined in Public Utilities Code Section 399.12 or Section 399.16.

“Exhibits” shall be those certain Exhibits, which are attached hereto and made a part hereof.

“FERC” means the Federal Energy Regulatory Commission.

“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, or the CAISO or any other transmission authority, having or asserting jurisdiction over a Party or the Agreement.

“Implementation Plan” has the meaning set forth in the Recitals hereof.

“IST”, an abbreviation for Inter-SC Trade, has the meaning set forth in CAISO Tariff.

“Mandatory Reporting Rule” means the regulations entitled Mandatory Greenhouse Gas Emissions Reporting set forth in Article 2 of Subchapter 10 of Title 17 of the California Code of Regulations.

“MW” means megawatt.

“MWh” means megawatt-hour.

“PG&E” means the Pacific Gas and Electric Company, its successors and assigns.

“Product” shall have the meaning set forth in Section 2.1 below.

“Prudent Industry Practices” means any of the practices, methods, techniques and standards (including those that would be implemented and followed by a prudent operator of generating facilities similar to the Project(s) in the United States during the relevant time period) that, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result, giving due regard to manufacturers’ warranties and recommendations, contractual obligations, the requirements or guidance of Governmental Authority, including CAISO, Applicable Law, the requirements of insurers, good business practices, economy, efficiency, reliability, and safety. Prudent Industry Practices shall not be limited to the optimum practice, method, technique or standard to the exclusion of all others, but rather shall be a range of possible practices, methods, techniques or standards.

“Security Documents” has the meaning set forth in the Master Agreement.

“Silicon Valley Clean Energy Program” means the community choice aggregation program operated by Buyer.

“Specified Sources of Power” means electricity that is traceable to a specific generation source by any auditable contract trail or equivalent, including a tradable commodity system, that provides commercial verification of the power source.

“Tariff” means the tariff and protocol provisions, including any current CAISO-published “Operating Procedures” and “Business Practice Manuals,” as amended, supplemented or replaced by CAISO from time to time.

2. PRODUCT.

2.1 Seller Delivery Obligation. Throughout the Delivery Period, Seller shall sell and deliver or make available, or cause to be sold and delivered or made available to Buyer, the “Product,” which is comprised of the quantity of Carbon Free Energy specified in Section 7.1.

2.2 Change in Law.

If an action is taken by a Governmental Authority after the Effective Date, and the result of such action is that Buyer is precluded from using the Product purchased hereunder as Specified Source Energy (“Change in Law”), using commercially reasonable efforts, the Parties shall work together in good faith to amend this Confirmation to maintain its intended benefits to both Parties. If the Parties are unable to amend this Confirmation to maintain its intended benefits to both Parties, Buyer may elect to terminate this Confirmation by delivering to Seller written notice of such termination not later than sixty (60) days following the effective date of the Change in Law. In the event Buyer does not exercise its right to terminate this Confirmation due to a Change in Law within such sixty (60) day period, Buyer may not thereafter terminate this Confirmation due to the Change in Law. A termination of this Confirmation due to a Change in Law shall be effective upon Buyer’s delivery of written notice to Seller of such termination, and thereafter:

(a) all Carbon Free Energy not then already transferred and/or delivered by Seller to Buyer shall be terminated and Seller shall have no obligation to make any further deliveries, and Buyer shall have no obligation to accept or pay for any subsequent deliveries, of the Product; and

(b) neither Party shall have any further obligations to the other hereunder (other than for performance already completed prior to such termination).

2.3 No New Construction Without Environmental Review. To the extent that Seller constructs any new facilities to meet its supply obligation hereunder, Seller covenants and agrees that the construction and operation of such facility(ies) will be in accordance with any and all Applicable Law.

- 2.4 **Resources.** Carbon Free Energy delivered under this Confirmation shall be delivered from Specified Sources of Power. Seller is neither the owner nor operator of the Specified Sources of Power, but has written agreements with the owner or operator of the Specified Sources of Power to procure electric power generated by the Specified Sources of Power.
- 2.5 **No Resource Shuffling:** Each of Seller and Buyer represents and warrants to each other that this Transaction is not part of any plan, scheme, or artifice to receive credit based on emissions reductions that have not occurred, involving the delivery of electricity to the California grid [ref. 17 CCR 95802(a)(252)]; provided, however, that this representation is made based on the assumption that CARB staff Cap-and-Trade Regulations Instructional Guidance “Appendix A: What is Resource Shuffling” November 2012 publication further defines and clarifies the foregoing.
- 2.6 **Rights to Product:** Seller hereby provides and conveys electric power generation from the Specified Source of Power to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to the Product, and Seller agrees to convey and hereby conveys all such Product to Buyer as included in the delivery of the Product subject to the terms and conditions contained herein.
3. **DELIVERY PERIOD.** This Confirmation shall be in full force and effect as of the Effective Date. The terms set forth herein shall apply from the Start Date through the End Date, which entire period will comprise the Delivery Period. This Confirmation shall terminate on the date on which both Parties have completed the performance of their obligations hereunder, unless earlier terminated pursuant to the terms hereof.

Start Date:	End Date:
May 1, 2019	December 31, 2019

4. **DELIVERY POINT.**

Product	Delivery Point
Carbon Free Energy	CAISO or California Balancing Authority within the boundaries of the State of California

5. **SCHEDULING.** Seller will perform all scheduling requirements applicable to the transaction(s) contemplated under this Confirmation. All scheduling shall be performed consistent with all applicable CAISO and WECC prevailing protocols. Unless otherwise

mutually agreed between the Parties, Carbon Free Energy will be scheduled to the applicable delivery point without an IST.

6. PRICING.

6.1 Carbon Free Energy Price and Payment. For each month during the Delivery Period, Buyer will pay Seller, an amount equal to the Carbon Free Energy Contract Quantity delivered in accordance with this Confirmation in such month multiplied by the Carbon Free Energy Price specified in Exhibit A.

7. CONTRACT QUANTITIES.

7.1 Carbon Free Energy. Carbon Free Energy Contract Quantities and Carbon Free Energy Prices pursuant to this Confirmation relate to the quantities set forth in Exhibit A. The actual amount of Carbon Free Energy provided by Seller is contingent upon the production of electricity by the Projects, thus Seller does not guarantee that any specific amount of Carbon Free Energy shall be produced by the Projects nor provided to Buyer.

8. MONTHLY BILLING SETTLEMENT

8.1 Collection of Customer Payments. In accordance with the Security Documents, Buyer shall direct PG&E to deposit into a lockbox account, all of the proceeds of all of the Customer account receipts (net of the amounts to be paid to PG&E) received from the sale of the Product to the Customers. Seller shall receive, in accordance with the Security Documents, payments for its invoices due and payable, and after Seller's invoice is paid and agreed to reserves have been funded, the amounts remaining in such lockbox shall be immediately released to Buyer or its designee in accordance with the Security Documents. The Parties agree that the lockbox account shall be in the name of Buyer, and any interest earned thereon shall accrue to Buyer, as more fully set forth in the Security Documents.

8.2 Monthly Invoice Timeline. Seller agrees to use commercially reasonable efforts to deliver each monthly invoice to Buyer not later than the fifteenth (15th) day of each month for the previous calendar month. The Parties hereby agree that all invoices under this Confirmation shall be due and payable on the twenty-fifth (25th) day of the same month in which Seller delivered such invoice, provided that if such day is not a Business Day, then such invoice will be due and payable on the next Business Day that occurs after the twenty-fifth (25th) day of the month.

9. COMPLIANCE REPORTING. Buyer shall be responsible for submitting compliance reports to the CPUC and/or other Governmental Authorities on its own behalf and will require resource information, electronic tagging information, and other documentation to be provided by Seller. Seller shall provide all reasonable information to Buyer necessary for Buyer to timely comply with periodic compliance reporting requirements and as otherwise required by Applicable Law with respect to any Product. Buyer is the obligated entity as the first jurisdictional deliverer under CARB's regulations and shall be

responsible for meeting any registration and reporting requirements associated with the Specified Source pursuant to AB32 or the Cap and Trade Regulations.

10. **NO RESTRICTION.** Nothing in this Confirmation shall limit Buyer's ability to develop its own generation facilities or prevent Buyer from purchasing Energy from other parties or prevent Seller from selling Energy to other parties; provided, however, that Buyer shall remain responsible to pay Seller for the Contract Quantities represented in Exhibits A.
11. **FORWARD CONTRACT.** This Agreement constitutes a sale of a nonfinancial commodity for deferred shipment or delivery that the parties intend to be physically settled and is excluded from the term "swap" as defined in the Commodity Exchange Act under 7 U.S.C. § 1a(47) and Commodities Future Trading Commission and Securities and Exchange Commission regulations under Title 17 of the Code of Federal Regulations Part 1 and Title 17 of the Code of Federal Regulations Parts 230, 240, and 241, respectively
12. **STANDARD OF CARE AND GOOD FAITH.** When performing its obligations hereunder, Seller shall act in good faith and shall perform all work in a manner consistent with Prudent Industry Practices.
13. **DODD-FRANK.** Each Party represents to the other that it is either (i) an eligible contract participant as defined in section 1a(18) of the Commodity Exchange Act and the regulations of the Commodity Futures Trading Commission, or (ii) a producer, processor, commercial user of or a merchant handling the commodity that is the subject of this Transaction, or the products or byproducts thereof, and is offering or entering into this Transaction solely for purposes related to its business as such.
14. **SECURITY PROVISIONS.**
 - 14.1 **Compliance with Security Documents.** During the entire period that this Confirmation remains in effect, Buyer shall comply with the Security Documents. Upon the occurrence of an Event of Default (after giving effect to any applicable cure periods) by Buyer under any Security Document or a termination of any Security Document by Seller due to Buyer's failure to perform in accordance with the terms thereof, such event shall constitute an Event of Default of Buyer in accordance with Article Five of the Master Agreement and Buyer shall therefore be the 'Defaulting Party' with regard to such failure to perform.
 - 14.2 **Buyer Reporting Requirements.** During the entire period this Confirmation remains in effect, Buyer shall provide Seller with the report(s) required below and shall also provide Seller with any clarifications requested regarding such report(s) and such other information that Seller reasonably requests regarding Buyer's financial performance, Buyer's performance of its obligations under this Confirmation or any Security Document or the ongoing viability of the CCA. In the event Buyer fails to provide Seller with any required reports requested by Seller and such failure is not remedied within fifteen (15) Business Days of Seller's written request therefor and notice of a potential Event of Default, such failure shall be an Event of Default in accordance with Article Five of the Master Agreement

and Buyer shall therefore be the 'Defaulting Party' with regard to such failure to perform.

- (a) Monthly Reports. The following reports shall be provided by Buyer to Seller not later than twenty (20) days following the end of each calendar month for items (i) through (vi) below, and each report shall be with regard to such previous calendar month or other period as applicable:
- (i) Customer deposit report including a complete and detailed report of all collateral Buyer is holding from any Customer in the format agreed to between the Parties but shall not include the identity or personal details (name, address, telephone number, family size, social security number, bank account number, credit score, payment history, etc.) of any Customer nor any information that may allow Seller to determine a Customer's identity;
 - (ii) Customer on-bill prepayment report including a complete and detailed report of all Customer on-bill payments that were deposited into the Primary Secured Account (as defined in the Security Documents);
 - (iii) Cash reconciliations and bank statements for each of Buyer's banking accounts; and
 - (iv) Summary of payments made by Customers or other entities to Buyer and a summary of delinquent accounts regarding Customers, such information to be provided on an aggregate basis (i.e. not by Customer) and shall include information segregated for delinquencies for each of the following time periods: 30 days, 60 days, 90 days and 120 days, plus the total account receivable balance owed to Buyer from its Customers
- (b) Semi-Annual Reports. The following report shall be provided by Buyer to Seller not later than 20 days following the end of the first six calendar months of each Buyer fiscal year: consolidated and consolidating financial statements for such six month period prepared in accordance with generally accepted accounting principles. Such financial statements shall include, at a minimum, a detailed profit and loss statement balance sheet statement of cash flows, a monthly and year to date financial projections showing line item and total variances between such financial projections and actual results and an executive summary describing the causes of any variances which are +/- 5% between the annual financial statements and the financial projections. Such report shall be in the format as Seller may reasonably require from time to time.
- (c) Annual Reports. The following report shall be provided by Buyer to Seller not later than 180 days following the end of Buyer's fiscal year, shall be

with regard to such previous fiscal year and shall be as follows: Buyer’s financial reports consisting of, at a minimum, statement of revenues, expenses and changes in fund net assets, statement of net assets, and statement of cash flows on a consolidating basis (as applicable), each as prepared in accordance with generally accepted accounting principles and audited by an independent certified public accountant.

15. ADDITIONAL PROVISIONS.

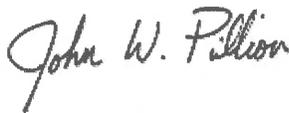
- 15.1 Carbon Free Energy. Quantities of Carbon Free Energy delivered to Buyer will be verified by the Carbon Free Source hourly meter data, and the quantity delivered to Buyer will not exceed such hourly amounts.
- 15.2 Electronic Signatures. The Parties may rely on electronic, facsimile or scanned signatures as originals under this Confirmation.

This Confirmation is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated November 28, 2016 (the “Master Agreement”) between Buyer and Seller, and constitutes part of and is subject to the terms and provisions of such Master Agreement. This Confirmation and the Master Agreement, including any appendices, exhibits or amendments thereto, shall collectively be referred to as the “Agreement.”

This Confirmation is subject to the Exhibits identified below and that are attached hereto:

Exhibit A – Carbon Free Energy Contract Quantity and Price Schedule

SHELL ENERGY NORTH AMERICA (US), L.P.



Sign: _____
 Print: John W. Pillion
 Title: Confirmations Team Lead

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

DocuSigned by:

 Sign: _____
 Print: GIRISH Balachandran
 Title: CEO

Exhibit A

Resource Contingent Carbon Free Energy Contract Quantity and Price Schedule

Year	Volume	Price
2019	[REDACTED]	
Location of Resource(s): California, unless otherwise mutually agreed by the Parties		

CONFIRMATION

Reference:

This Confirmation is governed by the Master Power Purchase and Sale Agreement
Between Shell Energy North America (US), L.P. (“Seller”)

And

Silicon Valley Clean Energy Authority, a California joint powers authority (“Buyer”)
dated, November 28, 2016 (the “Master Agreement”)
Transaction Date: April 4, 2019 (the “Effective Date”)

RECITALS:

WHEREAS, pursuant to California Public Utilities Code Sections 366.1, et. seq., Buyer has been registered as a Community Choice Aggregator (the “CCA”);

WHEREAS, Buyer is a California joint powers authority, which has established Silicon Valley Clean Energy for purposes of delivering CCA service to certain customers located within the County of Santa Clara;

WHEREAS, Seller and Buyer desire to set forth the terms and conditions pursuant to which Seller shall supply the Product to Buyer, and Buyer shall take and pay for such supply of Product subject to satisfaction of the conditions herein; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements in this Confirmation and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. **DEFINITIONS.** Any capitalized terms used in this Confirmation but not otherwise defined below shall have the meaning ascribed to such term in the Master Agreement:

“Applicable Law” means any statute, law, treaty, rule, tariff, regulation, 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, or any binding interpretation of the foregoing, as any of them is amended or supplemented from time to time, that apply to either or both of the Parties, the Project(s), or the terms of the Agreement.

“CAISO” means the California Independent System Operator Corporation or the successor organization to the functions thereof.

“CAISO Tariff” means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.

“Commercially Reasonable Efforts” for the purposes of this Confirmation, “commercially reasonable efforts” or acting in a “commercially reasonable manner” shall not require a Party to undertake extraordinary or unreasonable measures.

“CPUC” means the California Public Utilities Commission.

“Day Ahead” has the meaning set forth in the Tariff.

“Delivery Period” shall be the period beginning on the Start Date and ending on the End Date, as set forth in Section 3 below.

“Delivery Point” has the meaning set forth in Section 4 hereof.

“Effective Date” has the meaning set forth in the Reference Section at the beginning of this Confirmation.

“Energy” means electrical energy, measured in MWh.

“Exhibits” shall be those certain Exhibits, which are attached hereto and made a part hereof.

“FERC” means the Federal Energy Regulatory Commission.

“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, or the CAISO or any other transmission authority, having or asserting jurisdiction over a Party or the Agreement.

“IST”, an abbreviation for Inter-SC Trade, has the meaning set forth in CAISO Tariff.

“MW” means megawatt.

“MWh” means megawatt-hour.

“PG&E” means the Pacific Gas and Electric Company, its successors and assigns.

“Product” shall have the meaning set forth in Section 2 below.

“Prudent Industry Practices” means any of the practices, methods, techniques and standards (including those that would be implemented and followed by a prudent operator of generating facilities similar to the Project(s) in the United States during the relevant time period) that, in the exercise of reasonable judgment in the light of the facts known at the time the decision was made, could reasonably have been expected to accomplish the desired result, giving due regard to manufacturers’ warranties and recommendations, contractual obligations, the requirements or guidance of Governmental Authority, including CAISO, Applicable Law, the requirements of insurers, good business practices, economy, efficiency, reliability, and safety. Prudent Industry Practices shall not be limited to the optimum practice, method, technique or standard to the exclusion of all others, but rather shall be a range of possible practices, methods, techniques or

standards.

“Security Documents” has the meaning set forth in the Master Agreement.

“Tariff” means the tariff and protocol provisions, including any current CAISO-published “Operating Procedures” and “Business Practice Manuals,” as amended, supplemented or replaced by CAISO from time to time.

“Third-Party SC” means a third party designated by Buyer to provide the SC functions for the benefit of Buyer.

“Unspecified Sources of Power” means electricity that is not traceable to a specific generation source by any auditable contract trail or equivalent, including a tradable commodity system that provides commercial verification that the electricity has been sold once and only once.

2. **PRODUCT.**

2.1 Seller Delivery Obligation. Throughout the Delivery Period, Seller shall sell and deliver or make available, or cause to be sold and delivered or made available to Buyer, the “Product,” which is comprised of a quantity of Energy specified in Exhibit A.

2.2 No New Construction Without Environmental Review. To the extent that Seller constructs any new facilities to meet its supply obligation hereunder, Seller covenants and agrees that the construction and operation of such facility(ies) will be in accordance with any and all Applicable Law.

2.3 Resources. Seller may use Unspecified Sources of Power to provide the required Energy hereunder.

3. **DELIVERY PERIOD.** This Confirmation shall be in full force and effect as of the Effective Date. The terms set forth herein shall apply from the Start Date through the End Date, which entire period will comprise the Delivery Period. This Confirmation shall terminate on the date on which both Parties have completed the performance of their obligations hereunder, unless earlier terminated pursuant to the terms hereof.

Start Date:	End Date:
January 1, 2021	December 31, 2021

4. **DELIVERY POINT.** CAISO NP15 EZ Gen Hub

5. **SCHEDULING.** Seller shall be responsible for scheduling the Product to Buyer’s Third-Party SC on a Day Ahead basis as an Inter-SC Trade. Seller shall be responsible for all costs associated with the generation and delivery of the Product to the Delivery Point.

6. PRICING.

6.1 Energy Contract Price and Payment. For each month during the Delivery Period, Seller will invoice Buyer, and Buyer will pay Seller, an amount equal to the Energy Contract Quantity delivered in accordance with this Confirmation in such month multiplied by the Energy Contract Price specified in Exhibit A.

7. CONTRACT QUANTITIES.

7.1 Energy. Energy Contract Quantities and Energy Contract Prices pursuant to this Confirmation relate to the quantities set forth in Exhibit A.

8. MONTHLY BILLING SETTLEMENT

8.1 Monthly Invoice Timeline. Seller agrees to use commercially reasonable efforts to deliver each monthly invoice to Buyer not later than the fifteenth (15th) day of each month for the previous calendar month. The Parties hereby agree that all invoices under this Confirmation shall be due and payable on the twenty-fifth (25th) day of the same month in which Seller delivered such invoice, provided that if such day is not a Business Day, then such invoice will be due and payable on the next Business Day that occurs after the twenty-fifth (25th) day of the month.

9. **COMPLIANCE REPORTING.** Buyer shall be responsible for submitting compliance reports to the CPUC and/or other Governmental Authorities on its own behalf and will require resource information, electronic tagging information, and other documentation to be provided by Seller. Seller shall provide all reasonable information to Buyer necessary for Buyer to timely comply with periodic compliance reporting requirements and as otherwise required by Applicable Law with respect to the Product.

10. **NO RESTRICTION.** Nothing in this Confirmation shall limit Buyer's ability to develop its own generation facilities or prevent Buyer from purchasing Energy from other parties or prevent Seller from selling Energy to other parties; provided, however, that Buyer shall remain responsible to pay Seller for the Contract Quantities represented in Exhibits A.

11. **FORWARD CONTRACT.** This Agreement constitutes a sale of a nonfinancial commodity for deferred shipment or delivery that the parties intend to be physically settled and is excluded from the term "swap" as defined in the Commodity Exchange Act under 7 U.S.C. § 1a(47) and Commodities Future Trading Commission and Securities and Exchange Commission regulations under Title 17 of the Code of Federal Regulations Part 1 and Title 17 of the Code of Federal Regulations Parts 230, 240, and 241, respectively

12. **STANDARD OF CARE AND GOOD FAITH.** When performing its obligations hereunder, Seller shall act in good faith and shall perform all work in a manner consistent with Prudent Industry Practices.

13. **DODD-FRANK.** Each Party represents to the other that it is either (i) an eligible contract participant as defined in section 1a(18) of the Commodity Exchange Act and the regulations of the Commodity Futures Trading Commission, or (ii) a producer, processor,

commercial user of or a merchant handling the commodity that is the subject of this Transaction, or the products or byproducts thereof, and is offering or entering into this Transaction solely for purposes related to its business as such.

14. **SECURITY PROVISIONS.**

14.1 **Compliance with Security Documents.** During the entire period that this Confirmation remains in effect, Buyer shall comply with the Security Documents. Upon the occurrence of an Event of Default (after giving effect to any applicable cure periods) by Buyer under any Security Document or a termination of any Security Document by Seller due to Buyer's failure to perform in accordance with the terms thereof, such event shall constitute an Event of Default of Buyer in accordance with Article Five of the Master Agreement and Buyer shall therefore be the 'Defaulting Party' with regard to such failure to perform.

14.2 **Buyer Reporting Requirements.** During the entire period this Confirmation remains in effect, Buyer shall provide Seller with the report(s) required below and shall also provide Seller with any clarifications requested regarding such report(s) and such other information that Seller reasonably requests regarding Buyer's financial performance, Buyer's performance of its obligations under this Confirmation or any Security Document or the ongoing viability of the CCA. In the event Buyer fails to provide Seller with any required reports requested by Seller and such failure is not remedied within fifteen (15) Business Days of Seller's written request therefor and notice of a potential Event of Default, such failure shall be an Event of Default in accordance with Article Five of the Master Agreement and Buyer shall therefore be the 'Defaulting Party' with regard to such failure to perform.

(a) **Monthly Reports.** The following reports shall be provided by Buyer to Seller not later than twenty (20) days following the end of each calendar month for items (i) through (vi) below, and each report shall be with regard to such previous calendar month or other period as applicable:

- (i) Customer deposit report including a complete and detailed report of all collateral Buyer is holding from any Customer in the format agreed to between the Parties but shall not include the identity or personal details (name, address, telephone number, family size, social security number, bank account number, credit score, payment history, etc.) of any Customer nor any information that may allow Seller to determine a Customer's identity;
- (ii) Customer on-bill prepayment report including a complete and detailed report of all Customer on-bill payments that were deposited into the Primary Secured Account (as defined in the Security Documents);

- (iii) Cash reconciliations and bank statements for each of Buyer's banking accounts; and
 - (iv) Summary of payments made by Customers or other entities to Buyer and a summary of delinquent accounts regarding Customers, such information to be provided on an aggregate basis (i.e. not by Customer) and shall include information segregated for delinquencies for each of the following time periods: 30 days, 60 days, 90 days and 120 days, plus the total account receivable balance owed to Buyer from its Customers
- (b) Semi-Annual Reports. The following report shall be provided by Buyer to Seller not later than 20 days following the end of the first six calendar months of each Buyer fiscal year: consolidated and consolidating financial statements for such six month period prepared in accordance with generally accepted accounting principles. Such financial statements shall include, at a minimum, a detailed profit and loss statement balance sheet statement of cash flows, a monthly and year to date financial projections showing line item and total variances between such financial projections and actual results and an executive summary describing the causes of any variances which are +/- 5% between the annual financial statements and the financial projections. Such report shall be in the format as Seller may reasonably require from time to time.
- (c) Annual Reports. The following report shall be provided by Buyer to Seller not later than 180 days following the end of Buyer's fiscal year, shall be with regard to such previous fiscal year and shall be as follows: Buyer's financial reports consisting of, at a minimum, statement of revenues, expenses and changes in fund net assets, statement of net assets, and statement of cash flows on a consolidating basis (as applicable), each as prepared in accordance with generally accepted accounting principles and audited by an independent certified public accountant.

This Confirmation is being provided pursuant to and in accordance with the Master Power Purchase and Sale Agreement dated November 28, 2016 (the "Master Agreement") between Buyer and Seller, and constitutes part of and is subject to the terms and provisions of such Master Agreement. This Confirmation and the Master Agreement, including any appendices, exhibits or amendments thereto, shall collectively be referred to as the "Agreement."

<p>This Confirmation is subject to the Exhibits identified below and that are attached hereto:</p> <p>Exhibit A –Energy Contract Quantity and Price Schedule</p>
--

SHELL ENERGY NORTH AMERICA (US), L.P.

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

Sign: John W. Pillion

Print: John W. Pillion

Title: Confirmations Team Lead

DocuSigned by:
Girish Balachandran
5CA64B9AC4C24C3...

Sign: _____

Print: Girish Balachandran

Title: CEO

CONFIRMATION

This confirmation agreement (“Confirmation”) confirms the Transaction between **TransAlta Energy Marketing (U.S.) Inc.** (“Seller”) and **Silicon Valley Clean Energy Authority, a California joint powers authority** (“Purchaser”), each individually a “Party” and together the “Parties,” dated as of April 4, 2019 (“Effective Date”) regarding the sale and purchase of electric capacity and/or electric energy under the terms and conditions set forth below.

Transaction Number:	524622		
Purchaser:	Silicon Valley Clean Energy Authority ✓		
Seller:	TransAlta Energy Marketing (U.S.) Inc. ✓		
Trade Date:	April 4, 2019 ✓		
Type of Transaction:	Inter-SC Trade		
Term and Delivery Period:	January 1, 2020 through December 31, 2020 for all hours Monday through Sunday, including NERC Holidays, beginning Hour Ending (“HE”) HE0100 through 2400 (24 Hours) Pacific Prevailing Time (PPT) ✓		
Contract Quantity:	MW Per Month		
	Calendar	2020	
	Month	Peak MW	Off Peak MW
	Jan	[REDACTED]	
	Feb		
	Mar		
	Apr		
	May		
	Jun		
	Jul		
	Aug		
	Sep		
	Oct		
Nov			
Dec			
Contract Volume:	[REDACTED]		
Contract Price:	[REDACTED]		
Delivery Point:	CAISO NP15 ✓		

Governing Terms: This Transaction is governed by the terms and conditions of the EEI Master Power Purchase and Sale Agreement dated July 24, 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”), and is subject to all the terms and provisions of such agreement. The Master Agreement and this Confirmation shall be collectively referred to herein as the “Agreement.” If there is any conflict between the terms set forth in this Confirmation and the Master Agreement, the terms set forth in this Confirmation shall govern. Capitalized

terms not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement.

Counterparts: This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the counterparts were upon a single instrument. The Parties may rely on electronic, facsimile or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation by electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.

Entire Agreement; No Oral Agreements Or Modifications: This Confirmation sets forth the terms of the Transaction into which the Parties have entered and shall constitute the entire agreement between the Parties relating to the contemplated purchase and sale of the Product. Notwithstanding any other provision of the Agreement, this Confirmation may be entered into only by a written agreement executed by both Parties, and no amendment or modification to this Confirmation shall be enforceable except through a written agreement executed by both Parties.

ACKNOWLEDGED AND AGREED TO AS OF THE EFFECTIVE DATE.

**TRANSALTA ENERGY MARKETING
(U.S.) Inc.**

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

By: Shauna Britton

By: DocuSigned by:
Girish Balachandran
5CAB489AC4C24C3...
Girish Balachandran

Name: Shauna Britton
Confirmations Coordinator

Name: _____

Title: _____

Title: CEO

04/10/19.

1.2 Delivery of Product

Seller shall sell and deliver to Buyer, and Buyer shall receive and purchase from Seller the Product in the amount of the applicable Contract Quantity for each day of each month of the Delivery Period.

1.3 Delivery Period and Term

(a) Delivery Period. The Delivery Period shall be: [REDACTED] through [REDACTED] inclusive, unless terminated earlier in accordance with the terms of this Agreement.

(b) Term. The Term of this Transaction shall commence upon the Confirmation Effective Date and shall continue until the later of (i) the expiration of the Delivery Period or (ii) the date the Parties’ obligations under this Confirmation have been satisfied. This Confirmation shall be effective and binding as of the Confirmation Effective Date.

1.4 Contract Quantity

The Contract Quantity for each day of each applicable Showing Month is as follows:

Contract Quantity (MWs for each day of such Showing Month)

Showing Month	2019
[REDACTED]	[REDACTED]

1.5 Flexible Capacity

If the Parties have designated Flexible Capacity as “Applicable”, then the Flexible Capacity included in the Contract Quantity for each day of each applicable Showing Month is as follows:

Flexible Capacity (MWs for each day of such Showing Month)

Showing Month	2019
[REDACTED]	[REDACTED]

1.6 Contract Price

The Contract Price means, for any Showing Month, the price specified in the Contract Price table as set forth below, for such Showing Month:

*RA Capacity (Buy or Sell Confirmation)***CONTRACT PRICE TABLE**

Showing Month, Year	Contract Price (\$/kW-month)

ARTICLE 2. DELIVERY OBLIGATIONS**2.1 Delivery of Product**

Seller shall provide Buyer with the Expected Contract Quantity of Product for each day of each Showing Month consistent with the following:

- (a) Seller shall, on a timely basis, submit, or cause the Unit's SC to submit, (i) Monthly Supply Plans and (ii) Annual Supply Plans if the Confirmation Effective Date is prior to the year-ahead Compliance Showing deadline applicable for the Showing Months as specified in Sections 1.4 and 1.5 herein, in accordance with the CAISO Tariff to identify and confirm the Expected Contract Quantity provided to Buyer for each day of each Showing Month so that the total amount of Expected Contract Quantity identified and confirmed for each day of such Showing Month equals the Expected Contract Quantity for such day of such Showing Month.
- (b) Seller shall or shall cause the Unit's SC to submit written notification to Buyer, no later than fifteen (15) Business Days before the initial Compliance Showing deadline for each Showing Month, confirming that Buyer will be specified as the recipient of the Expected Contract Quantity for each day of such Showing Month in the Unit's SC Supply Plan. For illustrative purposes only, as of the Confirmation Effective Date, the applicable Compliance Showing deadlines are as follows: (A) forty-five (45) days prior to the Showing Month covered by the Supply Plan for the Monthly Supply Plan; and (B) the last Business Day of October that is prior to commencement of the year for the Annual Supply Plan. The Parties acknowledge and agree that such dates may be modified by the CAISO from time to time throughout the Term.

2.2 Adjustments to Contract Quantity

Seller shall deliver to Buyer the Contract Quantity of Product for each day of each Showing Month consistent with the following:

RA Capacity (Buy or Sell Confirmation)

- (a) Planned Outages: Seller's obligation to deliver the Contract Quantity for each day of each Showing Month may be reduced at Seller's option by the amount of any Planned Outages which exist with respect to any portion of the Unit during the applicable Showing Month for the applicable days of such Planned Outages; provided, (i) Seller notifies Buyer, no later than fifteen (15) Business Days before the initial deadline for the Compliance Showing applicable to that Showing Month, of the amount of Product from the Unit Buyer is permitted to include in Buyer's Compliance Showings applicable to that month as a result of such Planned Outage, and (ii) such reduction is able to be reflected on the Supply Plans in accordance with the CAISO Tariff.
- (b) Reductions in Unit NQC and Unit EFC: Seller's obligation to deliver the applicable Contract Quantity for each Showing Month may also be reduced in the event the Unit experiences a reduction in Unit NQC or Unit EFC after the Confirmation Effective Date as determined by the CAISO. In the event the Unit experiences such a reduction in Unit NQC or Unit EFC, 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 or (ii) from Replacement Units, provided, that in each case Seller provides and identifies such Replacement Units in accordance with Section 2.3.

2.3 Seller's Option To Provide Substitute Capacity

If Seller is unable to provide the full Contract Quantity in accordance with Section 2.2 for any Showing Month for any reason, 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 replacement Product from one or more Replacement Units in an amount such that the total amount of Product provided to Buyer from the Unit and Replacement Units for each day of the Showing Month is not more than the Contract Quantity in accordance with Section 2.2 for the applicable Showing Month, provided that in each case:

- (a) Seller shall notify Buyer of its intent to provide replacement Product and identify like-for-like replacement units, similar to the Unit originally identified in Appendix B ("Replacement Units"), meeting the above Contract Quantity requirements no later than fifteen (15) Business Days before the initial deadline for Buyer's Compliance Showing related to such Showing Month;
- (b) [Reserved];
- (c) Seller shall cause such Replacement Units to be approved in CAISO's CIRA Tool (or successor platform) prior to CAISO issuing its Planned Outage Substitution Obligation ("POSO") requirement to SCE; and

RA Capacity (Buy or Sell Confirmation)

- (d) if Seller does not cause the approval of the Replacement Units in CAISO's CIRA Tool (or successor platform) as set forth in Section 2.3(c) for the applicable Showing Month, then any such Replacement Units shall not be deemed a Unit for purposes of this Confirmation for that Showing Month and Seller shall not receive payment for such replacement Product.

Subject to the satisfaction of the conditions contained in subsections (a) – (d) of this Section 2.3, once Seller has identified in writing any Replacement Units that meet the requirements of this Section 2.3, then any such Replacement Units shall be automatically deemed a Unit for purposes of this Confirmation for that Showing Month.

2.4 Damages for Failure to Provide Capacity

If Seller fails to provide Buyer with the Expected Contract Quantity of Product for any day of any Showing Month, in accordance with Section 2.1 (the "Replacement Obligation"), in each case as applicable, then the following shall apply:

- (a) Buyer may, but shall not be required to, replace all or any portion of the Replacement Obligation for the applicable Showing Month with capacity having equivalent Capacity Attributes as the Expected Contract Quantity; provided, if, using commercially reasonable efforts, Buyer is unable to acquire capacity having equivalent Capacity Attributes for any portion of any Showing Month, Buyer may replace such portion of the Replacement Obligation with capacity having Capacity Attributes in excess of the Contract Quantity (the "Replacement Capacity"). Buyer may enter into purchase transactions with one or more parties to purchase Replacement Capacity. Additionally, Buyer may enter into one or more arrangements to repurchase its obligation to sell and deliver capacity to another party, and such arrangements shall be considered the procurement of Replacement Capacity. Buyer shall act in a commercially reasonable manner to minimize damages in 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, including any transaction costs and expenses incurred in connection with such procurement, plus (B) each applicable Replacement Capacity Price multiplied by the aggregate amount of Replacement Obligation neither provided by Seller as Substitute Capacity nor purchased by Buyer as Replacement Capacity, for all applicable portions of the applicable Showing Month pursuant to Section 2.4(a), and (ii) the Replacement Obligation minus the Substitute Capacity, not provided for all applicable portions of the applicable Showing Month times the Contract Price for that month.

2.5 Indemnities for Failure to Deliver Expected Contract Quantity

Confidential

RA Capacity (Buy or Sell Confirmation)

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 Contract Quantity for any portion of the Delivery Period;
- (b) Seller's failure to provide notice of the non-availability of any portion of the Expected Contract Quantity for any portion of the Delivery Period as required under Section 2.2;
- (c) Seller's or the Unit's SC's failure to timely submit Supply Plans that identify Buyer's right to the Expected Contract Quantity for each Unit purchased hereunder for each day of the Delivery Period; or
- (d) Seller's or the Unit's SC's failure to submit accurate Supply Plans that identify Buyer's right to the Expected Contract Quantity for each Unit purchased hereunder for each day of the Delivery Period.
- (e) any other failure by Seller to perform its obligations under this Confirmation.

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.

2.6 Buyer's Re-Sale of Product

- (a) Buyer may re-sell all or a portion of the Product and any associated rights, in each case, acquired under this Confirmation. Subject to Article 6 below, in the event Buyer re-sells all or a portion of the Product and any associated rights acquired under this Confirmation ("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. Subject to Article 6 below, 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. Seller acknowledges and agrees that with respect to any Resold Product, 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, and Seller would have had liability to Buyer under this Confirmation for such failure had Buyer not sold the Resold Product to a subsequent purchaser, then Seller shall be liable to Buyer under this Confirmation, including without limitation, pursuant to Sections 2.4 and 2.5, for the amounts it would have been liable to Buyer

RA Capacity (Buy or Sell Confirmation)

for had such Resold Product not been sold to a subsequent purchaser.

- (b) In the event there is any Resold Product, Buyer agrees to notify Seller that such a sale has occurred and agrees to provide Seller with the information described in Appendix D promptly following such sale. Buyer also agrees to promptly notify Seller of any subsequent changes to the information in Appendix D with respect to any particular sale.

2.7 CAISO Offer Requirements

Seller shall, or cause each Unit's SC to, schedule with, or make available to, the CAISO the Expected Contract Quantity for each Unit in compliance with the CAISO Tariff, and shall, or shall cause each Unit's SC, owner, or operator, as applicable, to perform all obligations under the CAISO Tariff that are associated with the sale and delivery of Product hereunder. Buyer shall have no liability for the failure of Seller or the failure of any Unit's SC, owner, or operator to comply with such CAISO Tariff provisions, including any penalties, charges or fines imposed on Seller or such Unit's SC, owner, or operator for such noncompliance.

2.8 Unit SC's Replacement Obligation

After the obligation to replace all or any portion of the Expected Contract Quantity transfers from the load serving entity to the Unit's SC for a Showing Month in accordance with the CAISO Tariff, and if the CAISO determines that any portion of the Expected Contract Quantity for any portion of a Showing Month that was shown by Buyer in its Compliance Showings requires outage replacement in accordance with Section 40.7(b) of the CAISO Tariff because the Unit, or Replacement Unit, as applicable, is scheduled to take an outage (planned or otherwise) (such amount requiring outage replacement, the "SC Replacement Capacity"), then: (a) Seller shall have no liability under Sections 2.4 or 2.5 with respect to such SC Replacement Capacity; and (b) Seller shall have no liability to Buyer for any costs that are allocated to Buyer by the CAISO for any CPM Capacity procured by the CAISO pursuant to the Capacity Procurement Mechanism and that are related to such SC Replacement Capacity. For illustrative purposes only, as of the Confirmation Effective Date, the obligation to replace all or any portion of the Expected Contract Quantity transfers from the load serving entity to the Unit's SC eight (8) days prior to the Showing Month covered by the Supply Plan for the Monthly Supply Plan. The Parties acknowledge and agree that such date may be modified by the CAISO from time to time throughout the Term.

ARTICLE 3 PAYMENT

3.1 Monthly Payment

In accordance with the terms of Article Six of the Master Agreement, Buyer shall make a Monthly Payment to Seller, after the applicable Showing Month, as follows:

$$\text{Monthly Payment} = (A \times B \times 1,000)$$

where:

A = applicable Contract Price for that Showing Month

$$B = \sum_i^n [(C_i - D_i) \times (\frac{1}{n})]$$

C = Expected Contract Quantity provided by Seller to Buyer for the applicable day of the Showing Month

D = Aggregate megawatts of Shortfall Capacity associated with the applicable day of the Showing Month

i = Each day of Showing Month

n = number of days in the Showing Month

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

3.2 Allocation of Other Payments and Costs

- (a) Seller shall retain any revenues it may receive from and pay all costs charged by the CAISO or any other third party with respect to the Unit for (i) start-up, shutdown, and minimum load costs, (ii) energy sales, and (iii) any revenues for black start or reactive power services.
- (b) Buyer shall be entitled to receive and retain all revenues associated with the Aggregate Contract Quantity (including any capacity 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)-(iv)).
- (c) In accordance with Section 3.1 of this Confirmation and Article Six of the Master Agreement,

RA Capacity (Buy or Sell Confirmation)

- (i) all such Buyer revenues described in this Section 3.2, but received by Seller, or a Unit's SC, owner, or operator shall be remitted to Buyer, 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 Buyer may owe to Seller. In order to verify the accuracy of such revenues, Buyer shall have 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
 - (ii) all such Seller, or a Unit's SC, owner, or operator revenues described in this Section 3.2, but received by Buyer shall be remitted to Seller. If Buyer fails to pay such revenues to Seller, Seller 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 Buyer.
- (d) If a centralized capacity market develops within the CAISO region, Buyer will have exclusive rights to offer, bid, or otherwise submit the applicable Contract Quantity of Product for each day of each Showing Month provided to Buyer pursuant to this Confirmation for re-sale in such market, and retain and receive any and all related revenues.
- (e) Seller agrees 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 CAISO Tariff. Furthermore, the Parties agree that any Availability Incentive Payments are for the benefit of the Seller and for Seller's account and that any Non-Availability Charges are the responsibility of the Seller and for Seller's account.

3.3 Offset Rights

Either Party may offset any amounts owing to it for revenues, penalties, fines, costs reimbursement, or other payments pursuant to Article Six of the Master Agreement against any future amounts it may owe to the other Party.

ARTICLE 4 OTHER BUYER AND SELLER COVENANTS**4.1 Seller's and Buyer's Duty to Take Action to Allow the Utilization of the Product**

RA Capacity (Buy or Sell Confirmation)

Buyer and Seller shall, throughout the Delivery Period: (a) cause the required showing information listed in Appendix C to be included in all applicable Supply Plans; (b) execute any and all documents or instruments reasonably necessary to ensure Buyer's right to the use of the Aggregate Contract Quantity for the sole benefit of Buyer or any subsequent purchaser under Section 2.6; and (c) cause all Supply Plans to be filed in conformance with the requirements of the CPUC Filing Guide and the CAISO Tariff. 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. The Parties further agree to negotiate 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, FERC, CAISO or other Governmental Authority having jurisdiction to administer Compliance Obligations, so as to maintain the benefits of the bargain struck by the Parties on the Confirmation Effective Date.

4.2 Seller's Representations, Warranties and Covenants

- (a) Seller represents, warrants and covenants to Buyer that, throughout the Delivery Period:
 - (i) Seller owns or has the exclusive right to the Product sold under this Confirmation from the Unit, and shall furnish Buyer, CAISO, CPUC or other Governmental Authority with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;
 - (ii) No portion of the Aggregate Contract Quantity 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 the Unit's owner or operator;
 - (iii) Seller and the Unit's SC, owner and operator shall each obligated to, comply with Applicable Laws relating to the Product;
 - (iv) (A) 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 the CAISO) notify Buyer in the event the CAISO designates any portion of the Aggregate Contract Quantity as CPM Capacity and (B) in the event the CAISO makes such a designation Seller shall, and shall cause the Unit's SC to not accept any such designation by the CAISO unless and until Buyer has agreed to accept such designation;
 - (v) Buyer shall have the exclusive right to offer the Aggregate Contract

RA Capacity (Buy or Sell Confirmation)

Quantity, or any portion thereof, to the CAISO as CPM Capacity and Seller shall not, and shall cause the Unit's SC not to, offer any portion of the Aggregate Contract Quantity to the CAISO as CPM Capacity or accept any designation of any portion thereof as CPM Capacity;

- (vi) The Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, and is under the control of CAISO;
 - (vii) Seller shall, and the Unit's SC, owner and operator is obligated to, comply with Applicable Laws relating to the Product;
 - (viii) Buyer shall have no liability for the failure of Seller or the failure of the Unit's SC, owner, or operator to comply with such CAISO Tariff provisions, including any penalties, charges or fines imposed on Seller or the Unit's SC, owner, or operator for such noncompliance.
 - (ix) 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 does not exceed the Unit NQC or Unit EFC for that Unit;
 - (x) Seller has notified the SC of the Unit that Seller has transferred the Contract Quantity, including the amount of Flexible Capacity and Inflexible Capacity, to the extent applicable, with respect to each day of each Showing Month to Buyer, and the SC is obligated to deliver the Supply Plans in accordance with the CAISO Tariff and this Confirmation;
 - (xi) Seller has notified the SC of the Unit that Seller is obligated to cause the Unit's SC to provide to the Buyer, at least fifteen (15) Business Days before the initial deadline for each Compliance Showing, the applicable Expected Contract Quantity of the Unit for each day of such Showing Month, including the amount of Flexible Capacity and Inflexible Capacity, to the extent applicable, that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and
 - (xii) Seller has notified the Unit's SC that Buyer is entitled to the revenues set forth in Section 3.2, and such SC is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.
- (b) If the Parties have designated Flexible Capacity as "Applicable", then the following representation and warranty shall apply to Seller throughout the Delivery Period:

RA Capacity (Buy or Sell Confirmation)

- (i) 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 and which are eligible to satisfy a load serving entity's Flexible RAR, does not exceed the Unit EFC for that Unit.
- (c) Seller represents, warrants and covenants to Buyer that, as of the Confirmation Effective Date, all of the information set forth on Appendix B hereto is true, correct and complete.
- (d) If the Parties have designated Flexible Capacity as "Applicable", then Seller represents, warrants and covenants to Buyer that, as of the Confirmation Effective Date, the CAISO has given the Unit the Unit EFC set forth on Appendix B hereto.

ARTICLE 5 CONFIDENTIALITY

Notwithstanding Section 10.11 of the Master Agreement, the Parties agree that: (i) Buyer may disclose the Aggregate Contract Quantity or any applicable portion of the Aggregate Contract Quantity, including any amounts of Flexible Capacity and Inflexible Capacity, to the extent applicable, under this Transaction to any Governmental Authority, the CPUC, the CAISO in order to support its Compliance Showings, if applicable; (ii) Seller may disclose the transfer of the Aggregate Contract Quantity and the applicable Contract Quantity and Expected Contract Quantity (as well as any amounts of Flexible Capacity and Inflexible Capacity, to the extent applicable) for each day of each Showing Month under this Transaction to the SC of the Unit in order for such SC to timely submit accurate Supply Plans; (iii) both Parties may disclose the terms and conditions of the Agreement and any and all written or recorded or oral information, data, analyses, documents, and materials furnished or made available by a Party to the other Party in connection with this Agreement to the Independent Evaluator; and (iv) Buyer and the Independent Evaluator may disclose the terms and conditions of the Agreement and any and all written or recorded or oral information, data, analyses, documents, and materials furnished or made available by a Party to the other Party in connection with this Agreement to the CAISO, the CPUC, and all divisions thereof, the California Energy Commission, and participants of the Procurement Review Group established pursuant to D.02-08-071 and D.03-06-071; provided, that each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Authority, CAISO, or SC to further disclose such information. In addition, in the event Buyer resells all or any portion of the Aggregate Contract Quantity to another party, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction.

ARTICLE 6 HOLDBACK AND SUBSTITUTE CAPACITY

No later than five (5) Business Days before the deadline for the initial Compliance Showing with respect to a particular Showing Month, Buyer may request that Seller not list, or cause the Unit's SC not to list, a portion or all of a Unit's applicable Expected

Confidential

Contract Quantity for such Showing Month on the Supply Plan. The amount of Expected Contract Quantity that is the subject of such a request shall be deemed Expected Contract Quantity provided consistent with Section 2.1 for purposes of calculating a Monthly Payment pursuant to Section 3.1 and calculating any amounts due pursuant to Section 2.4 or 2.5. Seller shall, or shall cause the Unit's SC to, comply with Buyer's request under this Article 6.

ARTICLE 7 MARKET BASED RATE AUTHORITY

Seller agrees, in accordance with 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 § 35.42. Seller also agrees that it will not, in any filings, if any, made subject to FERC Order Nos. 652 and 697, claim that this contractual arrangement conveys ownership or control of generation capacity from Seller to Buyer.

ARTICLE 8 COLLATERAL REQUIREMENTS

8.1 Counterparty Collateral Requirements

Notwithstanding anything to the contrary contained in the EEI Agreement, Counterparty shall provide to, and maintain with, SCE a Full Floating Independent Amount as long as Counterparty or its Guarantor, if any, does not maintain Credit Ratings of at least (a) BBB- from S&P and Baa3 from Moody's, if such entity is rated by the Ratings Agencies, or (b) BBB- by S&P or Baa3 by Moody's if such entity is rated by only one Ratings Agency. The Full Floating Independent Amount shall be equal to Forty-Six Thousand Two Hundred Fifty Dollars (\$46,250.00). Commencing after the last day of the first Showing Month of the Delivery Period and continuing throughout the Delivery Period, upon Notice, Counterparty may reduce the Full Floating Independent Amount to twenty percent (20%) of the sum of the Monthly Payments for the Current Month, as defined below, and all remaining months of the Delivery Period. For the purposes of the foregoing calculation: (i) each Monthly Payment shall be calculated using the Contract Quantity rather than the Expected Contract Quantity; and (ii) the Current Month shall be the next calendar month for which a showing will be made. For the purposes of calculating the Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, the Full Floating Independent Amount for Counterparty shall be added to the Exposure Amount for SCE and subtracted from the Exposure Amount for Counterparty.

8.2 Current Mark-To-Market Value

The Parties further agree that for the purposes of calculating the Collateral Requirement pursuant to Paragraph 3 of 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 a resource adequacy Capacity 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.

8.3 Credit Terms

The Parties agree that the credit and collateral provisions of the EEI Agreement shall govern this Transaction; provided, however, that for purposes of calculating a Party's Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, with respect to this Transaction only (a) if Counterparty has Exposure to SCE, then the amount of Exposure for this Transaction is deemed to be zero dollars (\$0), and (b) in no event shall SCE be required to post or maintain an Independent Amount with Counterparty.

ARTICLE 9 OTHER

9.1 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, provided that, with respect to this Transaction only, the following language is added at the end of Section 5.2 of the Master Agreement, with any terms which are defined in this Confirmation being used in the Master Agreement with the definitions given to such terms in this Confirmation:

“If Buyer is the Non-Defaulting Party and Buyer reasonably expects to incur penalties, fines or costs from the CPUC, the CAISO, or any Governmental Authority having jurisdiction, because Buyer 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 or fines and include this estimate in its determination of the Settlement Amount, subject to accounting to Seller when those penalties or fines are finally ascertained. If this accounting establishes that Buyer's estimate exceeds the actual amount of penalties or fines, Buyer shall promptly remit to Seller the excess amount. The rights and obligations with respect to determining and paying any Settlement Amount or Termination Payment, and any dispute resolution provisions with respect thereto, shall survive the termination of this Transaction and shall continue until after those penalties or fines are finally ascertained.”

[Remainder of Page Intentionally Left Blank]

RA Capacity (Buy or Sell Confirmation)

In WITNESS WHEREOF, the Parties have caused this Confirmation to be duly executed as of the Confirmation Effective Date first written:

SILICON VALLEY CLEAN ENERGY AUTHORITY,

a California joint powers authority.

By:



Name: Donald Eckert Jr

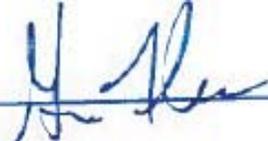
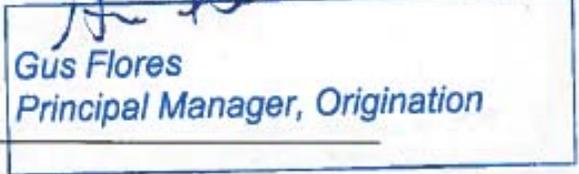
Title: DIRECTOR OF FINANCE & ADMINISTRATION

Date: April 26, 2019

SOUTHERN CALIFORNIA EDISON COMPANY,

a California corporation.

By:



Gus Flores
Principal Manager, Origination

Name:

Title:

4/25/2019

Date:

APPENDIX A**DEFINED TERMS**

“Aggregate Contract Quantity” means the aggregate amount of Product associated with the MWs set forth in the table in Section 1.4 which Seller has agreed to provide to Buyer from the Unit throughout the entire term of the Delivery Period.

“Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

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

“Applicable Laws” means the CAISO Tariff and all constitutions, treaties, laws, ordinances, rules, regulations, interpretations, permits, judgments, decrees, injunctions, writs and orders of any Governmental Authority that apply to either or both of the Parties, the Project, the Unit or the terms of this Agreement.

“Availability Incentive Payments” has the meaning set forth in the CAISO Tariff.

“Availability Standards” has the meaning set forth in the CAISO Tariff.

“Buyer” has the meaning specified in the introductory paragraph of this Confirmation.

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

“CAISO Control Area” has the meaning set forth in the CAISO Tariff.

“CAISO Controlled Grid” has the meaning as set forth in the CAISO Tariff.

“CAISO Tariff” means the California Independent System Operator Corporation Tariff, Business Practice Manuals (BPMs), Operating Agreements, and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by FERC, if applicable.

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

- (a) resource adequacy attributes, as may be identified from time to time by the CPUC, CAISO, or other Governmental Authority having jurisdiction, that can be counted toward RAR;

RA Capacity (Buy or Sell Confirmation)

- (b) resource adequacy attributes or other locational attributes for the Unit related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Authority 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 a Local RAR; and
- (c) other current or future defined characteristics, certificates, tags, credits, or accounting constructs, howsoever entitled, including any accounting construct counted toward any Compliance Obligation;

provided that, notwithstanding the foregoing, Capacity Attributes shall exclude all flexible capacity resource adequacy attributes, characteristics, certificates, tags, credits, or accounting constructs, howsoever entitled associated with the Unit.

“Capacity Procurement Mechanism” has the meaning set forth in the CAISO Tariff.

“CIRA Tool” means the CAISO’s Customer Interface for Resource Adequacy application.

“Collateral Annex” has the meaning specified in the introductory paragraph of this Confirmation.

“Compliance Obligations” means the RAR and Local RAR.

“Compliance Showings” means the (a) Local RAR compliance or advisory showings (or similar or successor showings) and (b) RAR compliance or advisory showings (or similar or successor showings), in each case, a load serving entity is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, to the CAISO pursuant to the CAISO Tariff, or to any Governmental Authority having jurisdiction.

“Confirmation” has the meaning specified in the introductory paragraph of this Confirmation.

“Confirmation Effective Date” has the meaning specified in the introductory paragraph of this Confirmation.

“Contract Price” means, for any Showing Month, the price specified in the Contract Price Table in Section 1.6 for such Showing Month.

“Contract Quantity” means, with respect to any particular Showing Month of the Delivery Period, the amount of Product associated with the number of MWs set forth in the table in Section 1.4, which Seller has agreed to provide to Buyer from the Unit for each day of such Showing Month.

RA Capacity (Buy or Sell Confirmation)

“Cover Sheet” has the meaning specified in the introductory paragraph of this Confirmation.

“CPM Capacity” has the meaning set forth in the CAISO Tariff.

“CPUC” means the California Public Utilities Commission.

“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, 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” is the document issued annually by the CPUC which sets forth the guidelines, requirements and instructions for load serving entities to demonstrate compliance with the CPUC’s resource adequacy program.

“Current Mark-to-Market Value” has the meaning specified in Section 8.2

“Delivery Period” has the meaning specified in Section 1.3(a).

“EEI” has the meaning specified in the introductory paragraph of this Confirmation.

“EEI Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Expected Contract Quantity” means, with respect to any particular day of any Showing Month of the Delivery Period, the Contract Quantity of Product for such day of such Showing Month, including the amount of Contract Quantity of Product that Seller has elected to provide Substitute Capacity for such day, and after giving effect to any reductions to Contract Quantity for such day as specified in Section 2.1 with respect to which Seller has not elected to provide Substitute Capacity.

“Good Utility Practice” has the meaning set forth in the CAISO Tariff.

“Governmental Authority” means any: (a) federal, state, local, municipal or other government; (b) 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 (c) court or governmental tribunal.

“Independent Evaluator” has the meaning set forth in CPUC Decision 04-12-048.

“Local Capacity Area” has the meaning set forth in the CAISO Tariff.

“Local RAR” means the local resource adequacy requirements established for load serving entities by the CPUC pursuant to the CPUC Decisions, the CAISO pursuant to

RA Capacity (Buy or Sell Confirmation)

the CAISO Tariff, or by any other Governmental Authority 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.

“Master Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Monthly Payment” has the meaning specified in Section 3.1.

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

“MW” means megawatt (or 1,000 kilowatts) of alternating current electric energy generating capacity.

“Net Qualifying Capacity” has the meaning set forth in the CAISO Tariff.

“Non-Availability Charges” has the meaning set forth in the CAISO Tariff.

“North” means north of Path 26.

“Outage Schedule” has the meaning specified in Article 4.

“Path 26” has the meaning set forth in the CAISO Tariff.

“Planned Outage” means, an Approved Maintenance Outage (as defined in the CAISO Tariff), but does not include a RA Maintenance Outage With Replacement (as defined in the CAISO Tariff), a Short-Notice Opportunity RA Maintenance Outage (as defined in the CAISO Tariff) or an Off-Peak Opportunity RA Maintenance Outage (as defined in the CAISO Tariff).

“Product” means the Capacity Attributes of the Unit, including any capacity from RMR Contracts for the Unit, or its successor, Capacity Procurement Mechanism, or its successor, and RUC Availability Payments, or its successor; provided that:

- (a) Product does not include any right to the energy or ancillary services from the Unit;
- (b) any change by the CAISO, CPUC or other Governmental Authority that defines new or re-defines existing Local Capacity Areas that results in a decrease or increase in the amount of Capacity Attributes related to a Local Capacity Area provided hereunder will not result in a change in payments made pursuant to this Transaction; and
- (c) the Parties agree that, under this Confirmation, if the CAISO, CPUC or other Governmental Authority defines new or re-defines existing Local Capacity Areas whereby the Unit subsequently qualifies for a Local Capacity Area, the

RA Capacity (Buy or Sell Confirmation)

Product shall include all Capacity Attributes related to such Local Capacity Area.

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

“Replacement Capacity” has the meaning specified in Section 2.4.

“Replacement Capacity Price” means the market price for Product with Capacity Attributes reasonably equivalent to the quantity of Product not provided by Seller under this Confirmation, as determined in the manner upon which market prices are determined under Section 5.2(b) of the Master Agreement. For purposes of this Transaction and Confirmation, the “Replacement Capacity Price” shall be deemed to be the “Replacement Price” as defined in Section 1.51 of the Master Agreement.

“Replacement Obligation” has the meaning specified in Section 2.4.

“Replacement Unit” means a generating unit meeting the requirements specified in Section 2.3.

“Resold Product” has the meaning specified in Section 2.6.

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

“RMR Contracts” has the meaning set forth in the CAISO Tariff.

“RUC Availability Payment” has the meaning set forth in the CAISO Tariff.

“SC” has the meaning set forth in the CAISO Tariff.

“SC Replacement Capacity” has the meaning set forth in Section 2.8.

“Seller” has the meaning specified in the introductory paragraph of this Confirmation.

“Showing Month” shall be the calendar month of the Delivery Period that is the subject of the Compliance Showing, as set forth in the CPUC Decisions and outlined in the CAISO Tariff. For illustrative purposes only, pursuant to the CAISO 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.

“South” means south of Path 26.

“Substitute Capacity” means replacement Product which Seller has elected to provide to Buyer in accordance with the terms of Section 2.3.

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

Confidential

RA Capacity (Buy or Sell Confirmation)

“Term” has the meaning specified in Section 1.3(b).

“Unit” shall mean the generation assets described in Appendix B (including any Replacement Units), from which Product is provided by Seller to Buyer.

“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.

ADDITIONAL DEFINED TERMS

To the extent that the Parties have selected Flexible Capacity as being “Applicable”, the following definitions shall be utilized in lieu of the corresponding definition, where appropriate, or in addition to the definitions set forth in the above Defined Terms:

“Aggregate Contract Quantity” means the aggregate amount of Product associated with the MWs set forth in the table in Section 1.4 which Seller has agreed to provide to Buyer from the Unit throughout the entire term of the Delivery Period and which includes Product which is Flexible Capacity in an amount equal to the aggregate amount identified in Section 1.5. All Product identified in Section 1.4 is Inflexible Capacity except to the extent identified as Flexible Capacity in Section 1.5.

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

- (a) resource adequacy attributes, as may be identified from time to time by the CPUC, CAISO, or other Governmental Authority having jurisdiction, that can be counted toward RAR;
- (b) resource adequacy attributes or other locational attributes for the Unit related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Authority 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 a Local RAR;
- (c) other current or future defined characteristics, certificates, tags, credits, or accounting constructs, howsoever entitled, including any accounting construct counted toward any Compliance Obligations; and

RA Capacity (Buy or Sell Confirmation)

- (d) flexible capacity resource adequacy attributes for the Unit, including, without limitation, the amount of Unit EFC and MWs associated with Unit EFC as may be identified from time to time by the CPUC, CAISO, or other Governmental Authority having jurisdiction, that can be counted toward Flexible RAR.

“Compliance Obligations” means the RAR, Local RAR and Flexible RAR.

“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) Flexible RAR compliance or advisory showings (or similar successor showings), in each case, a load serving entity is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, to the CAISO pursuant to the CAISO Tariff, or to any Governmental Authority having jurisdiction.

“Contract Quantity” means, with respect to any particular Showing Month of the Delivery Period, the amount of Product associated with the number of MWs set forth in the table in Section 1.4, which Seller has agreed to provide to Buyer from the Unit for each day of such Showing Month, and which includes Product which is Flexible Capacity in an amount equal to the amount identified in Section 1.5. All Product identified in Section 1.4 is Inflexible Capacity except to the extent identified as Flexible Capacity in Section 1.5.

“Flexible Capacity” means, with respect to any particular Showing Month of the Delivery Period, the number of MWs of Product set forth in the table in Section 1.5 which Seller has agreed to provide to Buyer from the Unit as part of the Contract Quantity for each day of such Showing Month, and which such MWs of Product are eligible to satisfy a load serving entity’s Flexible RAR and which such MWs of Product are associated with MWs of the Unit that are part of the Unit EFC.

“Flexible RAR” means the flexible capacity requirements established for load serving entities by the CPUC pursuant to the CPUC Decisions, the CAISO pursuant to the CAISO Tariff, or by any other Governmental Authority having jurisdiction and includes any non-binding advisory showings which a load serving entity is to make with respect to flexible capacity.

“Inflexible Capacity” means, with respect to any particular Showing Month of the Delivery Period, the number of MWs of Product set forth in the table in Section 1.4 minus the number of MWs of Product set forth in the table in Section 1.5, which Seller has agreed to provide to Buyer from the Unit as part of the Contract Quantity for each day of such Showing Month, and which such MWs of Product are not eligible to satisfy a load serving entity’s Flexible RAR and which are Product associated MWs of the Unit that are not part of or outside the Unit EFC. Inflexible Capacity is also known as ‘generic capacity’.

“Product” means the Capacity Attributes of the Unit, provided that:

- (a) Product does not include any right to the energy or ancillary services from the Unit;

RA Capacity (Buy or Sell Confirmation)

- (b) any change by the CAISO, CPUC or other Governmental Authority that defines new or re-defines existing Local Capacity Areas that results in a decrease or increase in the amount of Capacity Attributes related to a Local Capacity Area provided hereunder will not result in a change in payments made pursuant to this Transaction;
- (c) any change by the CAISO, CPUC or other Governmental Authority that defines new or re-defines existing Flexible RAR, Capacity Attributes related to Flexible RAR, or attributes of the Unit related to Flexible RAR, that results in a decrease or increase in the amount of Capacity Attributes related to Flexible RAR provided hereunder will not result in a change in payments made pursuant to this Transaction;
- (d) the Parties agree that, under this Confirmation, if the CAISO, CPUC or other Governmental Authority defines new or re-defines existing Local Capacity Areas whereby the Unit subsequently qualifies for a Local Capacity Area, the Product shall include all Capacity Attributes related to such Local Capacity Area; and
- (e) the Parties agree that, under this Confirmation, if the CAISO, CPUC or other Governmental Authority defines new or re-defines existing Flexible RAR, Capacity Attributes related to Flexible RAR, or attributes of the Unit related to Flexible RAR whereby the Unit, or a portion of the Unit which did not previously qualify to satisfy Flexible RAR, subsequently qualifies to satisfy Flexible RAR, the Product shall include all Capacity Attributes of the Unit related to Flexible RAR, including any Capacity Attributes related to Flexible RAR with respect to any portion of the Unit which previously was not able to satisfy Flexible RAR.
- “Unit EFC” means the effective flexible capacity (in MWs) of the Unit pursuant to the counting conventions set forth in the CPUC Decisions and which such flexible capacity may be used to satisfy a load serving entity’s Flexible RAR. The Parties agree that if the effective flexible capacity of the Unit is adjusted pursuant to the CPUC Decisions 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, or (ii) the effective flexible capacity of the Unit as adjusted by such subsequent CPUC Decisions.

**APPENDIX B
UNIT INFORMATION**

Name: HIGH DESERT POWER PROJECT AGGREGATE

CAISO Resource ID: HIDSRT_2_UNITS

Unit NQC (as of the Confirmation Effective Date): 830.00 MW

Unit EFC (as of the Confirmation Effective Date): 630.00 MW

Resource Type: Thermal

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

Unit EFC Category (1, 2, or 3): 1

Path 26 (North, South or None): South

Local Capacity Area (if any, as of Confirmation Effective Date): CAISO System

**APPENDIX C
SUPPLY PLAN INFORMATION**

Benefitting load serving entity SCID: SCE1

**APPENDIX D
SUBSEQUENT SALE INFORMATION**

Volume (in MW): _____

Subsequent Sale delivery period: _____

Amount of Inflexible Capacity included in Volume: _____

New Benefitting load serving entity SC identification number: _____

**MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY
AND
SOUTHERN CALIFORNIA EDISON COMPANY**

This Confirmation Letter including all appendices hereto (“Confirmation”) confirms the Transaction between Southern California Edison Company (“Buyer”) and Silicon Valley Clean Energy Authority (“Seller”), each individually a “Party” and together the “Parties”, dated as of April 25, 2019 (the “Confirmation Effective Date”) in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in this Confirmation, in the amounts described in this Confirmation. This Transaction is governed by the Edison Electric Institute (“EI”) Master Power Purchase and Sale Agreement between the Parties, effective as of February 7, 2018, along with the Cover Sheet, any amendments and annexes thereto (the “Master Agreement”), and including, the EI Collateral Annex to the Master Agreement along with the Paragraph 10 to the Collateral Annex between the Parties (such Paragraph 10 and the Collateral Annex are referred to collectively herein as the “Collateral Annex”) (the Master Agreement and the Collateral Annex shall be collectively referred to as the “EI Agreement”). The EI 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 EI Agreement, or the CAISO Tariff (defined herein below). To the extent this Confirmation is inconsistent with any provision of the EI Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder.

ARTICLE 1. TRANSACTION TERMS

1.1 Product; Elections

Buyer: Southern California Edison Company

Seller: Silicon Valley Clean Energy Authority

Product: Any Remaining Import Capability (the “Product”) made available at the Delivery Point to another Load Serving Entity

*Bilateral Import Capability Transfer (Buy or Sell)***1.2 Delivery of Product**

Seller shall sell and deliver to Buyer, and Buyer shall receive and purchase from Seller, the Product at the Delivery Point in the amount of the applicable Contract Quantity for each day of each month of the Delivery Period.

1.3 Delivery Period and Term

- (a) Delivery Period. The Delivery Period shall be: [REDACTED] through [REDACTED], inclusive, unless terminated earlier in accordance with the terms of this Agreement.
- (b) Term. The Term of this Transaction shall commence upon the Confirmation Effective Date and shall continue until the later of (i) the expiration of the Delivery Period or (ii) the date the Parties' obligations under this Confirmation have been satisfied. This Confirmation shall be effective and binding as of the Confirmation Effective Date.

1.4 Delivery Point

The Delivery Point shall be the CAISO Branch Group corresponding to the [REDACTED]

1.5 Contract Quantity

The Contract Quantity for each day of each applicable Contract Month is as follows:

Contract Quantity (MWs for each day of such Contract Month)

Month	2019
[REDACTED]	[REDACTED]

1.6 Contract Price

The Contract Price means, for any Contract Month, the price specified in the Contract Price table as set forth below.

CONTRACT PRICE TABLE

Month, Year	Contract Price (\$/kW-month)
[REDACTED]	[REDACTED]

ARTICLE 2. DELIVERY OBLIGATIONS**2.1 Delivery of Product**

Within ten (10) Business Days from the date that Seller receives the One-Time Payment from Buyer, if Buyer is a Pre-Pay Buyer, or within ten (10) Business Days from the Confirmation Effective Date, if Buyer is not a Pre-Pay Buyer, Seller shall or shall cause the Unit's SC to register the transfer of the Product in the amount of the Contract Quantity at the Delivery Point in CAISO's CIRA Tool (or successor platform) in addition to completing any other actions required by the CAISO to effect such transfer (the "Registration").

As soon as reasonably practicable thereafter, but no later than three (3) Business Days from Registration, Buyer shall accept and confirm Seller's Registration in CAISO's CIRA Tool and will then communicate to Seller whether the transfer from Seller to Buyer of the Product in the amount of the Contract Quantity at the Delivery Point was successful or unsuccessful (a successful transfer, the "Transfer Completion Email"). If the transfer from Seller to Buyer of the Product in the amount of the Contract Quantity at the Delivery Point is unsuccessful, the Parties shall begin the registration process set forth in this Section 2.1 again, until the Parties receive a Transfer Completion Email.

2.2 Buyer's Re-Sale of Product

Buyer may re-sell all or a portion of the Product acquired under this Confirmation.

ARTICLE 3. PAYMENT**3.1 One-Time Payment**

In accordance with the terms of Article Six of the Master Agreement, and if Buyer is a Pre-Pay Buyer, Buyer shall make a One-Time Payment to Seller for the Product within ten (10) Business Days following the Confirmation Effective Date and before Seller transfers the Product in accordance with 2.1. If Buyer is not a Pre-Pay Buyer, then Buyer shall make a One-Time Payment to Seller for the Product within fifteen (15) Business Days after the later of: (a) receipt of the Transfer Completion Email; or (b) receipt of Seller's invoice.

The One-Time Payment is calculated as follows:

$$\text{One-Time Payment} = \sum_i^n (A_i \times B_i \times 1,000)$$

where:

A = Contract Price (in \$/kW-month) for Contract Month *i*

Bilateral Import Capability Transfer (Buy or Sell)

B = Contract Quantity *i* (in MW) transferred by Seller for Contract Month *i*

i = Each Contract Month

n = number Contract Months

The One-Time Payment calculation shall be rounded to two decimal places.

3.2 Offset Rights

Either Party may offset any amounts owing to it for revenues, penalties, fines, costs reimbursement, or other payments pursuant to Article Six of the Master Agreement against any future amounts it may owe to the other Party.

ARTICLE 4. CONFIDENTIALITY

Notwithstanding Section 10.11 of the Master Agreement, the Parties agree that:

(a) both Parties may disclose the terms and conditions of this Agreement and any and all written or recorded or oral information, data, analyses, documents, and materials furnished or made available by a Party to the other Party in connection with this Agreement to the Independent Evaluator;

(b) both Parties and the Independent Evaluator may disclose the terms and conditions of this Agreement and any and all written or recorded or oral information, data, analyses, documents, and materials furnished or made available by a Party to the other Party in connection with this Agreement to the CAISO, the CPUC, and all divisions thereof, the CEC, any Governmental Authority, and participants of the procurement review group established pursuant to D.02-08-071 and D.03-06-071;

(c) both Parties may disclose the terms of this Confirmation to the CAISO to effectuate Seller's performance and the transfer of the Product and the Parties acknowledge that the CAISO may publicly disclose the transfer of the Product from Seller to Buyer in accordance with the CAISO Tariff promptly following Seller's performance; and

(d) in the event Buyer resells all or any portion of the Product, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction, other than the Contract Price;

provided, that each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Authority or the CAISO to further disclose such information. In addition, in the event Buyer resells all or any portion

Confidential

Bilateral Import Capability Transfer (Buy or Sell)

of the Contract Quantity to another party, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction.

[Remainder of Page Intentionally Left Blank]

Bilateral Import Capability Transfer (Buy or Sell)

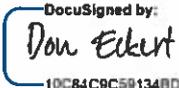
In WITNESS WHEREOF, the Parties have caused this Confirmation to be duly executed as of the Confirmation Effective Date first written:

SILICON VALLEY CLEAN ENERGY AUTHORITY,

SOUTHERN CALIFORNIA EDISON COMPANY,

a California joint powers authority.

a California corporation.

By:  10C84C9C591348D

By: 

Name: Don Eckert

Name: 
Gus Flores
Principal Manager, Original

Title: Director of Finance and Administration

Date: 4/23/2019

Date: 4/25/2019

Confidential

APPENDIX A**DEFINED TERMS**

“Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Bilateral Import Capability Transfer” is the transfer of Remaining Import Capability from one Market Participant (as defined in the CAISO Tariff) to another, as described in the CAISO Tariff.

“Branch Group” means the branch group name used by the CAISO to represent the location of an Intertie with a Maximum Import Capability.

“Buyer” has the meaning specified in the introductory paragraph of this Confirmation.

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

“CAISO Tariff” means the California Independent System Operator Corporation Tariff, Business Practice Manuals (BPMs), Operating Agreements, and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by FERC, if applicable.

“CEC” means the California Energy Commission.

“Collateral Annex” has the meaning specified in the introductory paragraph of this Confirmation.

“Confirmation” has the meaning specified in the introductory paragraph of this Confirmation.

“Confirmation Effective Date” has the meaning specified in the introductory paragraph of this Confirmation.

“Contract Month” means the month during the Delivery Period as set forth in the Contract Quantity Table specified Section 1.5.

“Contract Price” has the meaning set specified in Section 1.6.

“Contract Quantity” has the meaning specified in Section 1.5.

“Cover Sheet” has the meaning specified in the introductory paragraph of this Confirmation.

“CPUC” means the California Public Utilities Commission.

Confidential

Bilateral Import Capability Transfer (Buy or Sell)

“Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancements) by S&P or Moody’s. If no rating is assigned to such entity’s unsecured, senior long-term debt or deposit obligations by any Ratings Agency, then “Credit Rating” means the general corporate credit rating or long-term issuer rating assigned to such entity by S&P or Moody’s. If an entity is rated by more than one Ratings Agency and the ratings are at different levels, then “Credit Rating” means the lowest such rating.

“Delivery Period” has the meaning specified in Section 1.3(a).

“Delivery Point” has the meaning specified in Section 1.4.

“EEI” has the meaning specified in the introductory paragraph of this Confirmation.

“EEI Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Good Utility Practice” has the meaning set forth in the CAISO Tariff.

“Governmental Authority” means any: (a) federal, state, local, municipal or other government; (b) 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 (c) court or governmental tribunal.

“Independent Evaluator” has the meaning set forth in CPUC Decision 04-12-048.

“Intertie” has the meaning set forth in the CAISO Tariff.

“Investment Grade Rating” means a Credit Rating of “BBB- or above” by S&P and “Baa3 or above” by Moody’s if rated by both S&P and Moody’s or “BBB- or above” by S&P or “Baa3 or above” by Moody’s if rated by S&P or Moody’s but not both.

“Master Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Maximum Import Capability” has the meaning set forth in the CAISO Tariff.

“Moody’s” means Moody’s Investor Services, Inc.

“MW” means megawatt (or 1,000 kilowatts) of alternating current electric energy generating capacity.

“One-Time Payment” has the meaning specified in Section 3.1.

Confidential

Bilateral Import Capability Transfer (Buy or Sell)

“Pre-Pay Buyer” means a Buyer who fails to maintain an Investment Grade Rating or has no Credit Rating, or whose guarantor fails to maintain an Investment Grade Rating or has no Credit Rating.

“Product” has the meaning specified in Section 1.1.

“Ratings Agency” means any of S&P and Moody’s (collectively the “Ratings Agencies”).

“Registration” has the meaning specified in Section 2.1.

“Remaining Import Capability” has the meaning set forth in the CAISO Tariff.

“Scheduling Point” has the meaning set forth in the CAISO Tariff.

“SC” has the meaning set forth in the CAISO Tariff.

“Seller” has the meaning specified in the introductory paragraph of this Confirmation.

“S&P” means Standard & Poor’s Financial Services LLC.

“Term” has the meaning specified in Section 1.3(b).

“Transfer Completion Email” has the meaning specified in Section 2.1.

**MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY
AND
SOUTHERN CALIFORNIA EDISON COMPANY**

This Confirmation Letter including all appendices hereto (“Confirmation”) confirms the Transaction between Southern California Edison Company (“Buyer”) and Silicon Valley Clean Energy Authority (“Seller”), each individually a “Party” and together the “Parties”, dated as of April 25, 2019 (the “Confirmation Effective Date”) in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in this Confirmation, in the amounts described in this Confirmation. This Transaction is governed by the Edison Electric Institute (“EI”) Master Power Purchase and Sale Agreement between the Parties, effective as of February 7, 2018, along with the Cover Sheet, any amendments and annexes thereto (the “Master Agreement”), and including, the EEI Collateral Annex to the Master Agreement along with the Paragraph 10 to the Collateral Annex between the Parties (such Paragraph 10 and the Collateral Annex are referred to collectively herein as the “Collateral Annex”) (the Master Agreement and the Collateral Annex shall be collectively referred to as the “EEI Agreement”). The EEI 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 EEI Agreement, or the CAISO Tariff (defined herein below). To the extent this Confirmation is inconsistent with any provision of the EEI Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder.

ARTICLE 1. TRANSACTION TERMS

1.1 Product; Elections

Buyer: Southern California Edison Company

Seller: Silicon Valley Clean Energy Authority

Product: Any Remaining Import Capability (the “Product”) made available at the Delivery Point to another Load Serving Entity

Bilateral Import Capability Transfer (Buy or Sell)

1.2 Delivery of Product

Seller shall sell and deliver to Buyer, and Buyer shall receive and purchase from Seller, the Product at the Delivery Point in the amount of the applicable Contract Quantity for each day of each month of the Delivery Period.

1.3 Delivery Period and Term

- (a) Delivery Period. The Delivery Period shall be: [REDACTED] through [REDACTED], inclusive, unless terminated earlier in accordance with the terms of this Agreement.
- (b) Term. The Term of this Transaction shall commence upon the Confirmation Effective Date and shall continue until the later of (i) the expiration of the Delivery Period or (ii) the date the Parties' obligations under this Confirmation have been satisfied. This Confirmation shall be effective and binding as of the Confirmation Effective Date.

1.4 Delivery Point

[REDACTED]

1.5 Contract Quantity

The Contract Quantity for each day of each applicable Contract Month is as follows:

Contract Quantity (MWs for each day of such Contract Month)

Month	2019
[REDACTED]	[REDACTED]

1.6 Contract Price

The Contract Price means, for any Contract Month, the price specified in the Contract Price table as set forth below.

CONTRACT PRICE TABLE

Month, Year	Contract Price (\$/kW-month)
[REDACTED]	[REDACTED]

ARTICLE 2. DELIVERY OBLIGATIONS**2.1 Delivery of Product**

Within ten (10) Business Days from the date that Seller receives the One-Time Payment from Buyer, if Buyer is a Pre-Pay Buyer, or within ten (10) Business Days from the Confirmation Effective Date, if Buyer is not a Pre-Pay Buyer, Seller shall or shall cause the Unit's SC to register the transfer of the Product in the amount of the Contract Quantity at the Delivery Point in CAISO's CIRA Tool (or successor platform) in addition to completing any other actions required by the CAISO to effect such transfer (the "Registration").

As soon as reasonably practicable thereafter, but no later than three (3) Business Days from Registration, Buyer shall accept and confirm Seller's Registration in CAISO's CIRA Tool and will then communicate to Seller whether the transfer from Seller to Buyer of the Product in the amount of the Contract Quantity at the Delivery Point was successful or unsuccessful (a successful transfer, the "Transfer Completion Email"). If the transfer from Seller to Buyer of the Product in the amount of the Contract Quantity at the Delivery Point is unsuccessful, the Parties shall begin the registration process set forth in this Section 2.1 again, until the Parties receive a Transfer Completion Email.

2.2 Buyer's Re-Sale of Product

Buyer may re-sell all or a portion of the Product acquired under this Confirmation.

ARTICLE 3. PAYMENT**3.1 One-Time Payment**

In accordance with the terms of Article Six of the Master Agreement, and if Buyer is a Pre-Pay Buyer, Buyer shall make a One-Time Payment to Seller for the Product within ten (10) Business Days following the Confirmation Effective Date and before Seller transfers the Product in accordance with 2.1. If Buyer is not a Pre-Pay Buyer, then Buyer shall make a One-Time Payment to Seller for the Product within fifteen (15) Business Days after the later of: (a) receipt of the Transfer Completion Email; or (b) receipt of Seller's invoice.

The One-Time Payment is calculated as follows:

$$\text{One-Time Payment} = \sum_i^n (A_i \times B_i \times 1,000)$$

where:

A = Contract Price (in \$/kW-month) for Contract Month *i*

Bilateral Import Capability Transfer (Buy or Sell)

B = Contract Quantity *i* (in MW) transferred by Seller for Contract Month *i*

i = Each Contract Month

n = number Contract Months

The One-Time Payment calculation shall be rounded to two decimal places.

3.2 Offset Rights

Either Party may offset any amounts owing to it for revenues, penalties, fines, costs reimbursement, or other payments pursuant to Article Six of the Master Agreement against any future amounts it may owe to the other Party.

ARTICLE 4. CONFIDENTIALITY

Notwithstanding Section 10.11 of the Master Agreement, the Parties agree that:

(a) both Parties may disclose the terms and conditions of this Agreement and any and all written or recorded or oral information, data, analyses, documents, and materials furnished or made available by a Party to the other Party in connection with this Agreement to the Independent Evaluator;

(b) both Parties and the Independent Evaluator may disclose the terms and conditions of this Agreement and any and all written or recorded or oral information, data, analyses, documents, and materials furnished or made available by a Party to the other Party in connection with this Agreement to the CAISO, the CPUC, and all divisions thereof, the CEC, any Governmental Authority, and participants of the procurement review group established pursuant to D.02-08-071 and D.03-06-071;

(c) both Parties may disclose the terms of this Confirmation to the CAISO to effectuate Seller's performance and the transfer of the Product and the Parties acknowledge that the CAISO may publicly disclose the transfer of the Product from Seller to Buyer in accordance with the CAISO Tariff promptly following Seller's performance; and

(d) in the event Buyer resells all or any portion of the Product, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction, other than the Contract Price;

provided, that each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Authority or the CAISO to further disclose such information. In addition, in the event Buyer resells all or any portion

Confidential

Bilateral Import Capability Transfer (Buy or Sell)

of the Contract Quantity to another party, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction.

[Remainder of Page Intentionally Left Blank]

Bilateral Import Capability Transfer (Buy or Sell)

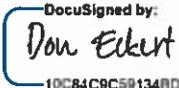
In WITNESS WHEREOF, the Parties have caused this Confirmation to be duly executed as of the Confirmation Effective Date first written:

SILICON VALLEY CLEAN ENERGY AUTHORITY,

SOUTHERN CALIFORNIA EDISON COMPANY,

a California joint powers authority.

a California corporation.

By:  10C84C9C591348D

By: 

Name: Don Eckert

Name: 
Gus Flores
Principal Manager, Original

Title: Director of Finance and Administration

Date: 4/23/2019

Date: 4/25/2019

Confidential

APPENDIX A**DEFINED TERMS**

“Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Bilateral Import Capability Transfer” is the transfer of Remaining Import Capability from one Market Participant (as defined in the CAISO Tariff) to another, as described in the CAISO Tariff.

“Branch Group” means the branch group name used by the CAISO to represent the location of an Intertie with a Maximum Import Capability.

“Buyer” has the meaning specified in the introductory paragraph of this Confirmation.

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

“CAISO Tariff” means the California Independent System Operator Corporation Tariff, Business Practice Manuals (BPMs), Operating Agreements, and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time to time and approved by FERC, if applicable.

“CEC” means the California Energy Commission.

“Collateral Annex” has the meaning specified in the introductory paragraph of this Confirmation.

“Confirmation” has the meaning specified in the introductory paragraph of this Confirmation.

“Confirmation Effective Date” has the meaning specified in the introductory paragraph of this Confirmation.

“Contract Month” means the month during the Delivery Period as set forth in the Contract Quantity Table specified Section 1.5.

“Contract Price” has the meaning set specified in Section 1.6.

“Contract Quantity” has the meaning specified in Section 1.5.

“Cover Sheet” has the meaning specified in the introductory paragraph of this Confirmation.

“CPUC” means the California Public Utilities Commission.

Confidential

Bilateral Import Capability Transfer (Buy or Sell)

“Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancements) by S&P or Moody’s. If no rating is assigned to such entity’s unsecured, senior long-term debt or deposit obligations by any Ratings Agency, then “Credit Rating” means the general corporate credit rating or long-term issuer rating assigned to such entity by S&P or Moody’s. If an entity is rated by more than one Ratings Agency and the ratings are at different levels, then “Credit Rating” means the lowest such rating.

“Delivery Period” has the meaning specified in Section 1.3(a).

“Delivery Point” has the meaning specified in Section 1.4.

“EEI” has the meaning specified in the introductory paragraph of this Confirmation.

“EEI Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Good Utility Practice” has the meaning set forth in the CAISO Tariff.

“Governmental Authority” means any: (a) federal, state, local, municipal or other government; (b) 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 (c) court or governmental tribunal.

“Independent Evaluator” has the meaning set forth in CPUC Decision 04-12-048.

“Intertie” has the meaning set forth in the CAISO Tariff.

“Investment Grade Rating” means a Credit Rating of “BBB- or above” by S&P and “Baa3 or above” by Moody’s if rated by both S&P and Moody’s or “BBB- or above” by S&P or “Baa3 or above” by Moody’s if rated by S&P or Moody’s but not both.

“Master Agreement” has the meaning specified in the introductory paragraph of this Confirmation.

“Maximum Import Capability” has the meaning set forth in the CAISO Tariff.

“Moody’s” means Moody’s Investor Services, Inc.

“MW” means megawatt (or 1,000 kilowatts) of alternating current electric energy generating capacity.

“One-Time Payment” has the meaning specified in Section 3.1.

Confidential

Bilateral Import Capability Transfer (Buy or Sell)

“Pre-Pay Buyer” means a Buyer who fails to maintain an Investment Grade Rating or has no Credit Rating, or whose guarantor fails to maintain an Investment Grade Rating or has no Credit Rating.

“Product” has the meaning specified in Section 1.1.

“Ratings Agency” means any of S&P and Moody’s (collectively the “Ratings Agencies”).

“Registration” has the meaning specified in Section 2.1.

“Remaining Import Capability” has the meaning set forth in the CAISO Tariff.

“Scheduling Point” has the meaning set forth in the CAISO Tariff.

“SC” has the meaning set forth in the CAISO Tariff.

“Seller” has the meaning specified in the introductory paragraph of this Confirmation.

“S&P” means Standard & Poor’s Financial Services LLC.

“Term” has the meaning specified in Section 1.3(b).

“Transfer Completion Email” has the meaning specified in Section 2.1.