Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, August 14, 2019
7:00 pm
Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

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

AGENDA

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

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

Consent Calendar (Action)

1a) Approve Minutes of the June 12, 2019, Board of Directors Meeting
1b) Receive May and June 2019 Treasurer Reports
1c) Approve Human Resources Policy 5, Paid Time Off Cash-Out Option Policy
1d) Receive Rate Update Effective August 1, 2019
1e) Adopt Resolution to Authorize the Chief Executive Officer to Execute Master Agreements with NRG Power Marketing, LLC, Wellhead Power Exchange, LLC, and DTE Energy Trading, Inc. and to Amend Approved Master Agreement with TransAlta Energy Marketing (US) Inc.
1f) Approve Time Extension and Authorize Chief Executive Officer to Execute Second Amendment to Agreement with Calpine Energy Solutions, LLC
1g) Authorize the Chief Executive Officer to Execute Agreement with Richards, Watson & Gershon for Legal Services
1h) Authorize the Chief Executive Officer to Execute Amended Agreement Increasing the Not-to-Exceed Amount for Accounting Services with Maher Accountancy

1i) Receive Decarbonization Programs Update

1j) Executive Committee Report

1k) Audit Committee Report

**Regular Calendar**

2) CEO Report (Discussion)

3) Approve 2020 Time-of-Use Rate Transition for Residential Customers (Action)

4) Proposed FY 19-20 Operating Budget (Discussion)

5) Reach Codes Update (Discussion)

6) Finance and Administration Committee Report (Discussion)

7) Legislative Ad Hoc Committee Report (Discussion)

**Board Member Announcements and Direction on Future Agenda Items**

**Adjourn**
Call to Order

Chair Abe-Koga called the meeting to order at 7:01 p.m.

Roll Call

Present:
Chair Margaret Abe-Koga, City of Mountain View
Vice Chair Howard Miller, City of Saratoga
Director Javed Ellahie, City of Monte Sereno
Director Marico Sayoc, Town of Los Gatos
Director Nancy Smith, City of Sunnyvale
Director Courtenay Corrigan, Town of Los Altos Hills
Director Liz Gibbons, City of Campbell
Alternate Director Neysa Fligor, City of Los Altos
Director Susan Ellenberg, County of Santa Clara
Director Yvonne Martinez Beltran, City of Morgan Hill (arrived at 7:04 p.m.)
Director Fred Tovar, City of Gilroy

Absent:
Director Bob Nuñez, City of Milpitas
Director Rod Sinks, City of Cupertino

Public Comment on Matters Not Listed on the Agenda
No speakers.

Consent Calendar

Chair Abe-Koga opened public comment for those wishing to pull an item from the consent calendar. No speakers.
Chair Abe-Koga closed public comment for those wishing to pull an item from the consent calendar.

MOTION: Director Corrigan moved and Director Smith seconded the motion to approve the Consent Calendar.

The motion carried unanimously with Directors Martinez Beltran, Nuñez, and Sinks absent.

1a) Approve Minutes of the May 8, 2019, Board of Directors Meeting
1b) Receive April 2019 Treasurer Report
1c) Approve Establishment of SVCE EV-2A Generation Rate to Correspond with New PG&E Rate
1d) Adopt Resolution Amending SVCE’s Energy Risk Management Policy
1e) Adopt Resolution to Authorize the Chief Executive Officer to Execute Service Agreements with 1) Sacramento Municipal Utility District; 2) Center for Sustainable Energy; and 3) ADM Associates, Inc. and Delegate Authority to CEO to Spend up to $1,000,000 in Aggregate through September 30, 2021 Under Master Consultant Agreements

1f) Innovation Onramp Program Update and Request to Authorize Chief Executive Officer to Execute Agreement with UtilityAPI for an Energy Data Exchange Platform Pilot in the Amount of $279,000

1g) Receive Automated Meter Infrastructure Audit Report from Abbott, Stringham and Lynch

1h) Receive the Annual Information Technology Audit Results

1i) Authorize the Chief Executive Officer to Execute Amended Engagement Letter Amending Scope of Work and Not-to-Exceed Amount with Keyes & Fox LLP

1j) Receive Finance and Administration Committee Report

1k) Receive Legislative Ad Hoc Committee Report

**Regular Calendar**

2) **CEO Report (Discussion)**

CEO Girish Balachandran provided a staff update which included an introduction of Ian Williams, Power Resources Manager, and Ben Linthicum, Innovation Analyst Intern, who both provided brief comments. CEO Balachandran and Programs Analyst Intern Robert Spragg commented on the end of his internship.

CEO Balachandran introduced participants from the Stanford Cleantech Challenge, Eric Trusiewicz and Robbie Harding, who presented a PowerPoint presentation on their winning building electrification idea. Trusiewicz and Harding responded to committee questions and comments.

Manager of Regulatory and Legislative Affairs Hilary Staver provided a Regulatory and Legislative update.

3) **Adopt Resolution to Implement SVCE Generation Rate Changes Effective August 1, 2019 (Action)**

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

Director of Finance and Administration Don Eckert responded to questions regarding the expected contributions to reserves and SVCE financials; CEO Balachandran provided additional information and responded to Board member questions.

Director Ellahie requested information on PG&E transmission rates.

The Board and staff discussed the item including: proposed rate changes and the discussions at the last Executive Committee meeting, the impact rates have on consumers, a letter received from a member of the public, the function used to determine the discount framework, and how SVCE would communicate the rate change and message with customers.

Chair Abe-Koga opened public comment.

Bruce Karney, Mountain View resident, commented on the following: the idea of guardrails for rates as structured by staff, his belief on what events cause customers to notice their electricity bill, and the impact of potentially voided above-market solar power contracts as a result of the PG&E bankruptcy.

Chair Abe-Koga closed public comment.
MOTION: Vice Chair Miller moved and Director Smith seconded the motion to adopt Resolution 2019-11 authorizing the CEO to implement SVCE generation rate changes effective August 1, 2019, resulting in incremental revenue of $11.3-13.5M and utilizing an applicable SVCE discount to PG&E rates under the ‘Discount Framework’; the applicable discount is expected to be 3%, but may be modified per the Discount Framework to reflect the impact of actual versus currently-projected July 1 PG&E generation rate and PCIA changes.

The motion carried unanimously with Directors Nuñez and Sinks absent.

4) Approve Non-Standard Pricing Agreement Policy and Adopt Resolution Delegating Authority to the Chief Executive Officer to Negotiate Non-Standard Pricing Agreements for Eligible Large Commercial and Industrial Customers (Action)

Director of Account Services and Community Relations Bray introduced the item and presented a PowerPoint presentation; Director of Account Services and Community Relations Bray, Director of Power Resources Monica Padilla, and CEO Balachandran responded to Board member questions.

The group discussed policy related to state requirements and decarbonization goals for Direct Access (DA) customers, and how cities and the county could help decarbonization goals for DA customers.

Director Ellahie proposed an SVCE commercial customer program, similar to air mileage reward programs, in which companies acquire credits for being SVCE customers and receive discounts on rates.

Director Smith requested staff provide an update in December to evaluate the performance of the resolution.

Alternate Director Fligor suggested staff leverage members of the Board to reach out to company government relations employees.

Director Gibbons suggested licensing the SVCE logo for companies to use on their literature, and noted a November climate report may re-incentivize people.

Chair Abe-Koga opened public comment.

Bruce Karney commented his opinion of a disconnect on energy goals with what the state wants to accomplish and what the cities and county want to accomplish, and provided an idea implementable at the city level created by the Mountain View Sustainability Task Force.

Chair Abe-Koga closed public comment.

MOTION: Director Ellenberg moved and Director Corrigan seconded the motion to adopt Resolution No. 2019-12, delegating to the CEO the authority to negotiate and execute non-standard pricing agreements with eligible large commercial and industrial customers, provided that the pricing agreements meet the minimum requirements set forth in the Non-Standard Pricing Agreement Policy, and staff will develop a performance update and present to the board by December 2019.

The motion carried unanimously with Director Nuñez and Sinks absent.

5) Approve Amendments to SVCE Strategic Plan (Action)

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

Director Martinez Beltran left the meeting at 9:30 p.m.
Chair Abe-Koga opened public comment.
No speakers.
Chair Abe-Koga closed public comment.

Alternate Director Fligor left the meeting at 9:45 p.m.

MOTION: Director Corrigan moved and Director Smith seconded the motion to approve the amendments to the Strategic Plan as presented by staff.

The motion carried unanimously with Alternate Director Fligor and Directors Martinez Beltran, Nuñez, and Sinks absent.

6) Executive Committee Report (Discussion)

Chair Abe-Koga reported the Executive Committee met May 24th, and discussed the August rate update and provided feedback on the proposed amendments to the Strategic Plan. Chair Abe-Koga noted the next meeting would occur on Friday, June 28th, at 9:30 a.m.

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

7) Audit Committee Report (Discussion)

Director Corrigan reported the Audit Committee convened on June 5th and selected Director Corrigan as Chair and Director Smith as Vice Chair of the committee for 2019. The committee received a presentation and report from Abbot, Stringham and Lynch, whose firm conducted the AMI audit; received a presentation from staff on the results of the IT Audit and discussed strengths and recommendations; and discussed the results of the Request for Information on cybersecurity and the data security focus moving forward. The next Audit Committee meeting is scheduled for December 4th at 11:30 a.m. to kick off the financial audit.

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

Director Martinez Beltran returned at 9:50 a.m.

Board Member Announcements and Direction on Future Agenda Items

Director Ellahie requested the meeting agenda be posted on Wednesdays as opposed to Fridays to give Directors and the public more time for review. CEO Balachandran responded his belief that posting materials at an earlier time would be challenging; CEO Balachandran offered to meet with board members in advance to assist in providing information earlier. Board members provided additional comments regarding agenda posting timing.

Director Gibbons thanked staff for assistance on a customer bill, and commented the American Institute of Architects passed a resolution to prioritize and support urgent climate action and accelerate the decarbonization of buildings, the building sector, and the built environment. Vice Chair Miller requested Director Gibbons send the resolution to staff for distribution to SVCE Directors, Alternate Directors, and member agency staff.

Director Martinez Beltran requested to agendize how the Board can help decarbonization goals for DA customers through member municipalities; Chair Abe-Koga suggested adding the item to a future agenda after the completion of reach codes.
Director Smith noted she enjoyed the conversation and would be driving to Sacramento following closed session.

**Public Comment on Closed Session**
No speakers.

Chair Abe-Koga announced the Board would be meeting in closed session to discuss Public Employee Performance Evaluation in the Community Hall Kitchen.

Prior to meeting in closed session, Director Ellenberg left the meeting.

The Board convened to Closed Session in the Community Hall Kitchen at 9:59 p.m.

**Convene to Closed Session (Community Hall Kitchen)**
Public Employee Performance Evaluation
Title: Chief Executive Officer

Conference with Labor Negotiator
Agency Representative: Margaret Abe-Koga, Chair, Board of Directors
Unrepresented Employee: Chief Executive Officer

The Board returned to the Council Chambers at 10:16 p.m. with Alternate Director Fligor and Directors Ellenberg, Nuñez, and Sinks absent.

**Report from Closed Session**

Chair Abe-Koga reported there was nothing to report from closed session.

**Adjourn**

Chair Abe-Koga adjourned the meeting at 10:17 p.m. and noted the next meeting would occur on August 14, 2019.
# TREASURER REPORT

Fiscal Year to Date  
As of May 31, 2019  
*(Preliminary & Unaudited)*  

**Issue Date:** August 14, 2019

## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Summary</td>
<td>2-3</td>
</tr>
<tr>
<td>Statement of Net Position</td>
<td>4</td>
</tr>
<tr>
<td>Statement of Revenues, Expenses &amp; Changes in Net Position</td>
<td>5</td>
</tr>
<tr>
<td>Statement of Cash Flows</td>
<td>6-7</td>
</tr>
<tr>
<td>Actuals to Budget Report</td>
<td>8-9</td>
</tr>
<tr>
<td>Monthly Change in Net Position</td>
<td>10</td>
</tr>
<tr>
<td>Personnel Report</td>
<td>11</td>
</tr>
<tr>
<td>Investments Report</td>
<td>12</td>
</tr>
<tr>
<td>Customer Accounts</td>
<td>13</td>
</tr>
<tr>
<td>Weather Statistics</td>
<td>14</td>
</tr>
<tr>
<td>Accounts Receivable Aging Report</td>
<td>15</td>
</tr>
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</table>
Financial Highlights for the month of May 2019:

Note: Effective May 1st, SVCE raised the customer generation rates by 3% in response to PG&E raising its customer generation rates by 3% on March 1st.

On May 1st, PG&E raised its customer generation rates again by 1%. SVCE customers currently receive a 7% discount compared to PG&E.

SVCE operations resulted in a positive change in net position for the month of $7.9 million and year-to-date change in net position of $22.2 million.

- May revenue of $25.8 million accounted for 305 GWh in net retail consumption.
- Year-to-date operating margin is $28.9 million and $11.1 million above budget.
- SVCE is above the minimum cash reserve target and financially stable.

- Retail GWh sales for the month were 1 GWh below budget.
- Actuals are 1% budget year-to-date.
- May weather was slightly cooler compared to the 15-year average.

- Power Supply costs are 8% below budget year-to-date.
  - Favorable adjustments for December through March power supply costs were recognized based on updated settlements from CAISO.
  - Joint Long-Term PPA RFO was issued in May with SVCE and MBCP. A short-list of suppliers should be selected by July.
  - SVCE is adequately hedged for the cooling season.

- Programs
  - The Programs Roadmap was approved by the Board of Directors in December 2018.
  - Programs are ramping up throughout the year.

- Investing/Financing
  - SVCE currently has a $35 million line of credit.
  - SVCE is investing ~80% of available funds with a year-to-date return of $0.7 million.

### Change in Net Position

<table>
<thead>
<tr>
<th></th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
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<tbody>
<tr>
<td>Actual</td>
<td>8,092</td>
<td>953</td>
<td>1,947</td>
<td>(4,819)</td>
<td>(523)</td>
<td>4,026</td>
<td>4,650</td>
<td>7,917</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22,242</td>
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### Power Supply Costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy &amp; REC's</td>
<td>14,735</td>
<td>13,930</td>
<td>12,890</td>
<td>18,224</td>
<td>14,103</td>
<td>12,080</td>
<td>12,019</td>
<td>14,084</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>112,065</td>
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<tr>
<td>Capacity</td>
<td>985</td>
<td>912</td>
<td>1,082</td>
<td>1,554</td>
<td>1,596</td>
<td>1,308</td>
<td>1,484</td>
<td>1,620</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,541</td>
</tr>
<tr>
<td>CAISO Charges</td>
<td>798</td>
<td>1,043</td>
<td>438</td>
<td>1,768</td>
<td>917</td>
<td>(804)</td>
<td>(1,036)</td>
<td>280</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,404</td>
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<tr>
<td>NEM Expense</td>
<td>74</td>
<td>(82)</td>
<td>(242)</td>
<td>(287)</td>
<td>(146)</td>
<td>(81)</td>
<td>(154)</td>
<td>260</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(657)</td>
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<tr>
<td>Charge/Credit</td>
<td>569</td>
<td>1,089</td>
<td>3,383</td>
<td>2,064</td>
<td>497</td>
<td>516</td>
<td>455</td>
<td>809</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,982</td>
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<tr>
<td>Net Power Costs</td>
<td>17,161</td>
<td>16,892</td>
<td>17,551</td>
<td>23,323</td>
<td>16,968</td>
<td>13,019</td>
<td>12,769</td>
<td>17,053</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>134,734</td>
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### Other

<table>
<thead>
<tr>
<th>Item</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
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<th>July</th>
<th>Aug</th>
<th>Sept</th>
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<tbody>
<tr>
<td>Capital Expenditures</td>
<td>2</td>
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<td>6</td>
<td>1</td>
<td>1</td>
<td>7</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Energy Programs</td>
<td>37</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>3</td>
<td>16</td>
<td>59</td>
<td>71</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>190</td>
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### Load Statistics - GWh

<table>
<thead>
<tr>
<th>Item</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales Actual</td>
<td>323</td>
<td>318</td>
<td>354</td>
<td>336</td>
<td>299</td>
<td>311</td>
<td>307</td>
<td>305</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,553</td>
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<tr>
<td>Retail Sales Budget</td>
<td>323</td>
<td>318</td>
<td>354</td>
<td>336</td>
<td>322</td>
<td>302</td>
<td>308</td>
<td>310</td>
<td>328</td>
<td>353</td>
<td>345</td>
<td>337</td>
<td>3,936</td>
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</table>
Other Statistics and Ratios

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
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<tbody>
<tr>
<td>Working Capital</td>
<td>$100,382,363</td>
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<tr>
<td>Current Ratio</td>
<td>4.7</td>
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<tr>
<td>Operating Margin</td>
<td>18%</td>
</tr>
<tr>
<td>Expense Coverage Days</td>
<td>114</td>
</tr>
<tr>
<td>Expense Coverage Days with LOC</td>
<td>158</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>$0</td>
</tr>
<tr>
<td>Total Accounts</td>
<td>268,227</td>
</tr>
<tr>
<td>Opt-Out Accounts</td>
<td>9,920</td>
</tr>
<tr>
<td>Opt-Up Accounts</td>
<td>3,104</td>
</tr>
</tbody>
</table>

Treasurer Report - May 2019
## STATEMENT OF NET POSITION

**As of May 31, 2019**

### ASSETS

<table>
<thead>
<tr>
<th>Current Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$83,556,660</td>
</tr>
<tr>
<td>Accounts Receivable, net of allowance</td>
<td>17,679,718</td>
</tr>
<tr>
<td>Energy Settlements Receivable</td>
<td>36,586</td>
</tr>
<tr>
<td>Accrued Revenue</td>
<td>16,060,261</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>164,987</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>2,263,646</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,914,664</td>
</tr>
<tr>
<td>Restricted cash - lockbox</td>
<td>5,500,000</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>127,176,522</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, net of depreciation</td>
<td>164,914</td>
</tr>
<tr>
<td>Deposits</td>
<td>129,060</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td><strong>293,974</strong></td>
</tr>
</tbody>
</table>

| **Total Assets**                                    | **127,470,496** |

### LIABILITIES

<table>
<thead>
<tr>
<th>Current Liabilities</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>614,374</td>
</tr>
<tr>
<td>Accrued Cost of Electricity</td>
<td>24,725,734</td>
</tr>
<tr>
<td>Accrued Payroll &amp; Benefits</td>
<td>255,284</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>433,640</td>
</tr>
<tr>
<td>User Taxes and Energy Surcharges due to other gov'ts</td>
<td>736,807</td>
</tr>
<tr>
<td>Supplier Security Deposits</td>
<td>28,320</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>26,794,159</strong></td>
</tr>
</tbody>
</table>

### NET POSITION

| Net investment in capital assets                    | 164,914 |
| Restricted for security collateral                 | 5,500,000 |
| Unrestricted (deficit)                              | 95,011,423 |
| **Total Net Position**                             | **$100,676,337** |
SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2018 through May 31, 2019

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Sales, Net</td>
<td>$163,100,721</td>
</tr>
<tr>
<td>GreenPrime electricity premium</td>
<td>566,818</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td><strong>$163,667,539</strong></td>
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</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Electricity</td>
<td>134,733,705</td>
</tr>
<tr>
<td>Staff Compensation and benefits</td>
<td>2,135,196</td>
</tr>
<tr>
<td>Data Management</td>
<td>2,265,174</td>
</tr>
<tr>
<td>Service Fees - PG&amp;E</td>
<td>764,432</td>
</tr>
<tr>
<td>Consultants and Other Professional Fees</td>
<td>882,195</td>
</tr>
<tr>
<td>Legal</td>
<td>250,328</td>
</tr>
<tr>
<td>Communications &amp; Noticing</td>
<td>251,442</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>681,171</td>
</tr>
<tr>
<td>Depreciation</td>
<td>33,564</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>$141,997,207</strong></td>
</tr>
<tr>
<td><strong>OPERATING INCOME(LOSS)</strong></td>
<td><strong>$21,670,332</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>677,749</td>
</tr>
<tr>
<td>Financing costs</td>
<td>(106,464)</td>
</tr>
<tr>
<td><strong>TOTAL NONOPERATING EXPENSES</strong></td>
<td><strong>$571,285</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET POSITION</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position at beginning of period</td>
<td>78,434,720</td>
</tr>
<tr>
<td><strong>Net Position at end of period</strong></td>
<td><strong>$100,676,337</strong></td>
</tr>
</tbody>
</table>
SILICON VALLEY CLEAN ENERGY AUTHORITY

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

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from electricity sales</td>
<td>$ 170,468,389</td>
</tr>
<tr>
<td>Receipts from wholesale sales</td>
<td>540,740</td>
</tr>
<tr>
<td>Supplier security deposits</td>
<td>28,320</td>
</tr>
<tr>
<td>Tax and surcharge receipts from customers</td>
<td>3,286,584</td>
</tr>
<tr>
<td>Energy settlements received</td>
<td>5,247,655</td>
</tr>
<tr>
<td>Deposits and collateral received</td>
<td>13,558,487</td>
</tr>
<tr>
<td>Payments to purchase electricity</td>
<td>(150,645,975)</td>
</tr>
<tr>
<td>Payments for staff compensation and benefits</td>
<td>(2,147,618)</td>
</tr>
<tr>
<td>Payments for data manager fees</td>
<td>(2,413,452)</td>
</tr>
<tr>
<td>Payments for PG&amp;E service fees</td>
<td>(665,373)</td>
</tr>
<tr>
<td>Payments for consultants and other professional services</td>
<td>(782,428)</td>
</tr>
<tr>
<td>Payments for legal fees</td>
<td>(276,181)</td>
</tr>
<tr>
<td>Payments for communications and noticing</td>
<td>(291,234)</td>
</tr>
<tr>
<td>Payments for general and administrative</td>
<td>(748,885)</td>
</tr>
<tr>
<td>Payments of deposits and collateral</td>
<td>(1,416,881)</td>
</tr>
<tr>
<td>Return of security deposits to suppliers</td>
<td>(585,000)</td>
</tr>
<tr>
<td>Tax and surcharge payments to other governments</td>
<td>(3,518,483)</td>
</tr>
</tbody>
</table>

Net cash provided (used) by operating activities       29,638,665

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and related expense payments</td>
<td>(208,936)</td>
</tr>
</tbody>
</table>

Net cash provided (used) by non-capital financing activities  (208,936)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of capital assets</td>
<td>(14,158)</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income received</td>
<td>677,749</td>
</tr>
</tbody>
</table>

Net change in cash and cash equivalents  30,093,320
Cash and cash equivalents at beginning of year  58,963,340

Cash and cash equivalents at end of period $ 89,056,660
SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)
October 1, 2018 through May 31, 2019

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

Operating Income (loss) $ 21,670,332

Adjustments to reconcile operating income to net cash provided (used) by operating activities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense</td>
<td>33,564</td>
</tr>
<tr>
<td>Revenue reduced for uncollectible accounts</td>
<td>822,450</td>
</tr>
<tr>
<td>(Increase) decrease in net accounts receivable</td>
<td>5,158,979</td>
</tr>
<tr>
<td>(Increase) decrease in energy settlements receivable</td>
<td>(36,586)</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
<td>(78,726)</td>
</tr>
<tr>
<td>(Increase) decrease in accrued revenue</td>
<td>871,100</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>(1,037,328)</td>
</tr>
<tr>
<td>(Increase) decrease in current deposits</td>
<td>12,141,606</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>(106,164)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued payroll &amp; benefits</td>
<td>63,995</td>
</tr>
<tr>
<td>Increase (decrease) in energy settlements payable</td>
<td>(134,409)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued cost of electricity</td>
<td>(9,323,530)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued liabilities</td>
<td>433,640</td>
</tr>
<tr>
<td>Increase (decrease) in taxes and surcharges due to other governments</td>
<td>(283,578)</td>
</tr>
<tr>
<td>Increase (decrease) in supplier security deposits</td>
<td>(556,680)</td>
</tr>
</tbody>
</table>

Net cash provided (used) by operating activities $ 29,638,665
# SILICON VALLEY CLEAN ENERGY
## BUDGETARY COMPARISON SCHEDULE
October 1, 2018 through May 31, 2019

### REVENUES & OTHER SOURCES

<table>
<thead>
<tr>
<th>FYTD</th>
<th>FYTD</th>
<th>Variance</th>
<th>FY 2018-19</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>Amended</td>
<td>$</td>
<td>Variance</td>
<td>Amended</td>
</tr>
<tr>
<td>Energy Sales</td>
<td>153,100,721</td>
<td>164,448,318</td>
<td>(1,347,597)</td>
<td>-1%</td>
</tr>
<tr>
<td>Green Prime Premium</td>
<td>566,818</td>
<td>456,978</td>
<td>109,841</td>
<td>24%</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>60,000</td>
<td>(60,000)</td>
<td>-100%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>677,749</td>
<td>549,924</td>
<td>127,825</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL REVENUES &amp; OTHER SOURCES</td>
<td>164,345,288</td>
<td>165,505,220</td>
<td>(1,159,932)</td>
<td>-1%</td>
</tr>
</tbody>
</table>

### EXPENDITURES & OTHER USES

#### CURRENT EXPENDITURES

| | FYTD | Amended | Variance | FY 2018-19 | % Budget |
| | | | | | |
| Power Supply | 134,733,705 | 147,066,761 | 12,333,056 | 8% | 234,330,000 |
| Data Management | 2,265,174 | 2,380,090 | 114,916 | 5% | 3,560,000 |
| PG&E Fees | 764,432 | 750,574 | 13,858 | -2% | 1,120,000 |
| Salaries & Benefits | 2,135,196 | 2,664,027 | 528,831 | 20% | 4,300,000 |
| Professional Services | 944,631 | 1,394,272 | 449,641 | 32% | 2,250,000 |
| Marketing & Promotions | 219,053 | 492,190 | 273,137 | 55% | 910,000 |
| Notifications | 32,389 | 87,714 | 55,325 | 63% | 160,000 |
| Lease | 216,347 | 218,031 | 1,684 | 1% | 330,000 |
| General & Administrative | 463,498 | 523,903 | 60,405 | 12% | 836,000 |
| TOTAL CURRENT EXPENDITURES | 141,774,425 | 155,577,559 | 13,803,134 | 9% | 247,836,000 |

#### OTHER USES

| | FYTD | Amended | Variance | FY 2018-19 | % Budget |
| | | | | | |
| Customer Programs | 189,218 | 2,840,240 | 2,651,022 | 93% | 5,640,000 |
| Office Equipment | 19,919 | 111,111 | 91,192 | 82% | 200,000 |
| Financial Security Requirement | - | - | - | 0% | 147,000 |
| Refund of Bond | - | - | - | 0% | (100,000) |
| TOTAL OTHER USES | 209,137 | 2,951,351 | 2,742,214 | 93% | 5,887,000 |

#### DEBT SERVICE

| | FYTD | Amended | Variance | FY 2018-19 | % Budget |
| | | | | | |
| Financing | 106,464 | 90,000 | (16,464) | -18% | 90,000 |
| Interest | - | 60,000 | 60,000 | 100% | 120,000 |
| TOTAL DEBT SERVICE | 106,464 | 150,000 | 43,536 | 29% | 210,000 |

### Total Expenditures, Other Uses & Debt Service:

| | FYTD | Amended | Variance | FY 2018-19 | % Budget |
| | | | | | |
| | 142,090,026 | 158,678,910 | 16,588,884 | 10% | 253,933,000 |

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

| | FYTD | Amended | Variance | FY 2018-19 | % Budget |
| | | | | | |
| | $ 22,255,262 | $ 6,826,309 | $ 15,428,953 | 226% | $ 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 $ 22,255,262

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

  Subtract depreciation expense (33,564)
  Add back capital asset acquisitions 19,919
Change in Net Position 22,241,617
### SILICON VALLEY CLEAN ENERGY AUTHORITY
### STATEMENT OF REVENUES, EXPENSES
### AND CHANGES IN NET POSITION
### October 1, 2018 through May 31, 2019

#### OPERATING REVENUES

<table>
<thead>
<tr>
<th></th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales, net</td>
<td>$26,013,308</td>
<td>$18,589,640</td>
<td>$20,295,540</td>
<td>$19,278,907</td>
<td>$17,206,905</td>
<td>$17,794,206</td>
<td>$18,251,186</td>
<td>$25,670,969</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green electricity premium</td>
<td>76,005</td>
<td>68,459</td>
<td>67,567</td>
<td>73,924</td>
<td>61,034</td>
<td>69,967</td>
<td>71,198</td>
<td>80,684</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>26,089,313</strong></td>
<td><strong>18,656,099</strong></td>
<td><strong>20,363,107</strong></td>
<td><strong>19,352,831</strong></td>
<td><strong>17,267,939</strong></td>
<td><strong>17,864,233</strong></td>
<td><strong>18,322,384</strong></td>
<td><strong>25,751,633</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### OPERATING EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of electricity</td>
<td>17,160,575</td>
<td>16,892,744</td>
<td>17,551,069</td>
<td>23,433,856</td>
<td>16,893,908</td>
<td>12,980,824</td>
<td>12,768,605</td>
<td>17,052,324</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff compensation and benefits</td>
<td>238,907</td>
<td>256,926</td>
<td>264,613</td>
<td>269,608</td>
<td>250,743</td>
<td>287,282</td>
<td>275,835</td>
<td>293,282</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Data manager</td>
<td>301,479</td>
<td>300,896</td>
<td>301,200</td>
<td>301,365</td>
<td>301,626</td>
<td>302,227</td>
<td>303,253</td>
<td>153,148</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service fees - PG&amp;E</td>
<td>94,279</td>
<td>94,000</td>
<td>94,377</td>
<td>94,000</td>
<td>99,753</td>
<td>94,263</td>
<td>94,613</td>
<td>98,147</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>130,737</td>
<td>114,869</td>
<td>129,909</td>
<td>123,353</td>
<td>230,634</td>
<td>161,132</td>
<td>256,854</td>
<td>236,477</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>99,316</td>
<td>70,743</td>
<td>74,028</td>
<td>73,621</td>
<td>106,969</td>
<td>117,599</td>
<td>78,370</td>
<td>60,525</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,179</td>
<td>4,179</td>
<td>4,335</td>
<td>4,383</td>
<td>3,969</td>
<td>4,160</td>
<td>4,130</td>
<td>4,219</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>18,027,472</td>
<td>17,734,317</td>
<td>18,419,531</td>
<td>24,300,016</td>
<td>17,887,902</td>
<td>13,947,487</td>
<td>13,781,660</td>
<td>17,899,122</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>8,061,841</td>
<td>921,782</td>
<td>1,943,576</td>
<td>(4,847,185)</td>
<td>(619,663)</td>
<td>3,916,746</td>
<td>4,540,724</td>
<td>7,852,511</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### NONOPERATING REVENUES (EXPENSES)

<table>
<thead>
<tr>
<th></th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>30,474</td>
<td>30,756</td>
<td>58,997</td>
<td>128,308</td>
<td>96,180</td>
<td>109,063</td>
<td>108,802</td>
<td>115,167</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and related expense</td>
<td>-</td>
<td>(55,856)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>30,474</td>
<td>30,756</td>
<td>3,141</td>
<td>128,308</td>
<td>96,180</td>
<td>109,063</td>
<td>108,802</td>
<td>64,559</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### CHANGE IN NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$8,092,315</strong></td>
<td><strong>$952,546</strong></td>
<td><strong>$1,946,177</strong></td>
<td><strong>($4,818,877)</strong></td>
<td><strong>($523,483)</strong></td>
<td><strong>$4,025,809</strong></td>
<td><strong>$4,649,526</strong></td>
<td><strong>$7,917,070</strong></td>
<td><strong>$-</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Treasurer Report - May 2019
# PERSONNEL REPORT FOR MAY 2019

<table>
<thead>
<tr>
<th>Position</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Account Services and Community Relations</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Account Services Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Energy Consultant</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Energy Associate</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Communications Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Community Outreach Specialist</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Communications Specialist</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Board Clerk/Executive Assistant</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Finance and Administration</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Services Manager</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Management Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Power Resources</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Power Resources Manager</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Power Resources Planner</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Power Settlements &amp; Compliance Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
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<tr>
<td>Manager of Regulatory and Legislative Affairs</td>
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<tr>
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</tr>
<tr>
<td>Director of Decarbonization and Grid Innovation</td>
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<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Data Analyst</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
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<tr>
<td><strong>Total</strong>*</td>
<td><strong>25</strong></td>
<td><strong>19</strong></td>
<td><strong>6</strong></td>
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## Return on Investments

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<th>Money Market</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$30,474</td>
<td>$30,758</td>
<td>$58,997</td>
<td>$128,308</td>
<td>$96,180</td>
<td>$109,053</td>
<td>$108,802</td>
<td>$115,167</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$677,749</td>
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</table>

### Portfolio Invested

<table>
<thead>
<tr>
<th>Portfolio Invested</th>
<th>Average daily portfolio available to invest*</th>
<th>55,148,395</th>
<th>63,583,109</th>
<th>62,254,625</th>
<th>69,135,639</th>
<th>70,770,817</th>
<th>$71,496,022</th>
<th>71,216,494</th>
<th>74,309,263</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Average daily portfolio invested</td>
<td>20,154,823</td>
<td>20,185,339</td>
<td>35,700,846</td>
<td>60,277,386</td>
<td>60,360,303</td>
<td>$60,476,566</td>
<td>60,585,707</td>
<td>60,693,659</td>
</tr>
<tr>
<td></td>
<td>% of average daily portfolio invested</td>
<td>36.5%</td>
<td>31.7%</td>
<td>57.3%</td>
<td>87.2%</td>
<td>85.3%</td>
<td>84.6%</td>
<td>85.1%</td>
<td>81.7%</td>
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### Detail of Portfolio

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<tr>
<th>Money Market - River City Bank</th>
<th>Opening Rate</th>
<th>Current Rate</th>
<th>Carrying Value</th>
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<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>$60,803,241</td>
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<tr>
<td></td>
<td>1.26%</td>
<td>2.24%</td>
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*Note: Balance available to invest does not lockbox or debt serve reserve funds.*
CUSTOMER ACCOUNTS

RESIDENTIAL ACCOUNTS

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct</td>
<td>239.7</td>
<td>240.0</td>
</tr>
<tr>
<td>Nov</td>
<td>240.4</td>
<td>240.5</td>
</tr>
<tr>
<td>Dec</td>
<td>240.6</td>
<td>240.8</td>
</tr>
<tr>
<td>Jan</td>
<td>240.4</td>
<td>240.5</td>
</tr>
<tr>
<td>Feb</td>
<td>240.5</td>
<td>240.6</td>
</tr>
<tr>
<td>Mar</td>
<td>240.8</td>
<td>241.4</td>
</tr>
<tr>
<td>Apr</td>
<td>240.4</td>
<td>240.5</td>
</tr>
<tr>
<td>May</td>
<td>239.7</td>
<td>240.0</td>
</tr>
<tr>
<td>Jun</td>
<td>240.0</td>
<td>240.5</td>
</tr>
<tr>
<td>Jul</td>
<td>240.5</td>
<td>240.8</td>
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<tr>
<td>Aug</td>
<td>240.4</td>
<td>240.5</td>
</tr>
<tr>
<td>Sep</td>
<td>240.5</td>
<td>240.8</td>
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NON-RESIDENTIAL ACCOUNTS

<table>
<thead>
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<th>Month</th>
<th>Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
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<td>Oct</td>
<td>27.8</td>
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<tr>
<td>Nov</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Dec</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Jan</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Feb</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Mar</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Apr</td>
<td>27.8</td>
<td>27.8</td>
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<tr>
<td>May</td>
<td>27.8</td>
<td>27.8</td>
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<tr>
<td>Jun</td>
<td>27.8</td>
<td>27.8</td>
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<tr>
<td>Jul</td>
<td>27.8</td>
<td>27.8</td>
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<tr>
<td>Aug</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Sep</td>
<td>27.8</td>
<td>27.8</td>
</tr>
</tbody>
</table>

WEATHER STATISTICS

COOLING DEGREE DAYS

HEATING DEGREE DAYS
### SILICON VALLEY CLEAN ENERGY AUTHORITY
**ACCOUNTS RECEIVABLE AGING REPORT**

<table>
<thead>
<tr>
<th>Accounts Receivable</th>
<th>Total</th>
<th>Days</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$18,870,029</td>
<td>0-30</td>
<td>31-60</td>
<td>61-90</td>
<td>90-120*</td>
<td>Over 120*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$16,319,745</td>
<td>$742,974</td>
<td>$351,864</td>
<td>$260,037</td>
<td>$1,195,408</td>
</tr>
<tr>
<td>Period %</td>
<td>100%</td>
<td>86.5%</td>
<td>3.9%</td>
<td>1.9%</td>
<td>1.4%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

*Note: A portion of accounts that are greater than 90 days old have been sent back to PG&E, however the receivable remains outstanding until PG&E writes the account off.
ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Silicon Valley Clean Energy Authority

Management is responsible for the accompanying financial statements of Silicon Valley Clean Energy Authority (a California Joint Powers Authority) which comprise the statement of net position as of June 30, 2019, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Silicon Valley Clean Energy Authority’s annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user’s conclusions about the Authority’s financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy
San Rafael, CA
July 30, 2019
TREASURER REPORT
Fiscal Year to Date
As of June 30, 2019
(Preliminary & Unaudited)
Issue Date: August 14, 2019

Table of Contents

<table>
<thead>
<tr>
<th>Item</th>
<th>Page</th>
</tr>
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<tbody>
<tr>
<td>Summary</td>
<td>2-3</td>
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<tr>
<td>Statement of Net Position</td>
<td>4</td>
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<tr>
<td>Statement of Revenues, Expenses &amp; Changes in Net Position</td>
<td>5</td>
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<tr>
<td>Statement of Cash Flows</td>
<td>6-7</td>
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<tr>
<td>Actuals to Budget Report</td>
<td>8-9</td>
</tr>
<tr>
<td>Monthly Change in Net Position</td>
<td>10</td>
</tr>
<tr>
<td>Personnel Report</td>
<td>11</td>
</tr>
<tr>
<td>Investments Report</td>
<td>12</td>
</tr>
<tr>
<td>Customer Accounts</td>
<td>13</td>
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<tr>
<td>Weather Statistics</td>
<td>14</td>
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<tr>
<td>Accounts Receivable Aging Report</td>
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</table>
Financial Highlights for the month of June 2019:

Note: SVCE achieved a new summer peak of 845 MW on June 11th. During the month of June with many cities in the Bay Area breaking heat records.

- SVCE operations resulted in a positive change in net position for the month of $8.2 million and year-to-date change in net position of $30.4 million.
  - June revenue of $30.2 million accounted for 347 GWh in net retail consumption.
  - Year-to-date operating margin is $38.0 million and $11.3 million above budget.
- SVCE is above the minimum cash reserve target and financially stable.
  - Year-to-date energy sales are on target.
  - Weather was the primary driver for the higher than forecasted load.
- Power Supply costs are 6% below budget year-to-date.
  - Power supply costs for the month were much higher than budget due to higher than expected load due to the extreme heat, which resulted in very volatile real-time pricing.
  - Joint Long-Term PPA RFO was issued in May from SVCE and MBCP. A short-list of suppliers should be selected by July.
  - Favorable adjustments for December through March power supply costs were recognized based on updated settlements from CAISO.
- The Programs Roadmap was approved by the Board of Directors in December 2018.
  - The Board has approved ~$3 million of project specific budgets for Programs.
  - Programs continue to ramp up.
- SVCE currently has a $35 million line of credit.
  - SVCE is investing ~90% of available funds with a year-to-date return of $0.8 million.

<table>
<thead>
<tr>
<th>Change in Net Position</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
<th>Amended Budget</th>
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<tbody>
<tr>
<td>Actual</td>
<td>8,092</td>
<td>953</td>
<td>1,947</td>
<td>(4,819)</td>
<td>(523)</td>
<td>4,026</td>
<td>4,650</td>
<td>7,917</td>
<td>8,186</td>
<td>-</td>
<td>-</td>
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<td>30,428</td>
<td>29,584</td>
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<table>
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<th>Power Supply Costs</th>
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<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
<th>Amended Budget</th>
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</thead>
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<tr>
<td>Energy &amp; REC's</td>
<td>14,735</td>
<td></td>
<td>12,890</td>
<td></td>
<td>18,224</td>
<td></td>
<td>14,103</td>
<td>12,080</td>
<td>12,019</td>
<td>14,084</td>
<td>16,003</td>
<td></td>
<td>128,068</td>
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<td>Capacity</td>
<td>985</td>
<td></td>
<td>1,082</td>
<td>1,554</td>
<td></td>
<td>1,596</td>
<td>1,308</td>
<td>1,484</td>
<td>1,620</td>
<td>2,053</td>
<td></td>
<td></td>
<td>12,594</td>
<td></td>
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<td>CAISO Charges</td>
<td>798</td>
<td>1,043</td>
<td></td>
<td>438</td>
<td></td>
<td>1,768</td>
<td>917</td>
<td>(804)</td>
<td>1,036</td>
<td>280</td>
<td>654</td>
<td></td>
<td>4,059</td>
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<tr>
<td>NEM Expense</td>
<td>74</td>
<td>(82)</td>
<td></td>
<td>(242)</td>
<td>(287)</td>
<td>(146)</td>
<td>(81)</td>
<td>(154)</td>
<td>260</td>
<td>324</td>
<td></td>
<td></td>
<td>(334)</td>
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<td>Charge/Credit (IST/Net Rev)</td>
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<td>1,089</td>
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<td>497</td>
<td>516</td>
<td>455</td>
<td>809</td>
<td>2,045</td>
<td></td>
<td>11,427</td>
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<td>Net Power Costs</td>
<td>17,161</td>
<td>16,892</td>
<td>17,551</td>
<td>23,323</td>
<td>16,968</td>
<td>13,019</td>
<td>12,769</td>
<td>17,053</td>
<td>21,079</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>155,813</td>
<td>234,330</td>
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<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
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<th>Amended Budget</th>
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<td>1</td>
<td>7</td>
<td>-</td>
<td>3</td>
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<td>1</td>
<td>3</td>
<td>16</td>
<td>59</td>
<td>71</td>
<td>74</td>
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<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
<th>Amended Budget</th>
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<tbody>
<tr>
<td>Retail Sales Actual</td>
<td>323</td>
<td>318</td>
<td>354</td>
<td>336</td>
<td>299</td>
<td>311</td>
<td>307</td>
<td>305</td>
<td>347</td>
<td></td>
<td></td>
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<td>2,900</td>
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<tr>
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<td>323</td>
<td>318</td>
<td>354</td>
<td>336</td>
<td>322</td>
<td>302</td>
<td>308</td>
<td>310</td>
<td>328</td>
<td>353</td>
<td>345</td>
<td>337</td>
<td>3,936</td>
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Other Statistics and Ratios

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<th>Value</th>
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<td>Working Capital</td>
<td>$108,572,805</td>
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<tr>
<td>Current Ratio</td>
<td>4.2</td>
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<tr>
<td>Operating Margin</td>
<td>20%</td>
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<tr>
<td>Expense Coverage Days</td>
<td>120</td>
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<tr>
<td>Expense Coverage Days with LOC</td>
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<tr>
<td>Long-Term Debt</td>
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<td>Total Accounts</td>
<td>268,064</td>
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<tr>
<td>Opt-Out Accounts</td>
<td>9,970</td>
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<tr>
<td>Opt-Up Accounts</td>
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Retail Sales - Month

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual</th>
<th>Budget</th>
<th>FY16/17</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>30.2</td>
<td>28.3</td>
<td>26.9</td>
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Retail Sales - YTD

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Budget</th>
<th>FY16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>193.9</td>
<td>193.3</td>
<td>166.0</td>
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O&M - Month

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<th>Month</th>
<th>Actual</th>
<th>Budget</th>
<th>FY16/17</th>
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<tbody>
<tr>
<td></td>
<td>22.1</td>
<td>21.4</td>
<td>15.9</td>
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</table>

O&M - YTD

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Budget</th>
<th>FY16/17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>164.1</td>
<td>179.8</td>
<td>133.2</td>
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## ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$90,930,410</td>
</tr>
<tr>
<td>Accounts Receivable, net of allowance</td>
<td>21,756,182</td>
</tr>
<tr>
<td>Energy Settlements Receivable</td>
<td>-</td>
</tr>
<tr>
<td>Accrued Revenue</td>
<td>19,679,111</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>230,762</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>2,802,948</td>
</tr>
<tr>
<td>Deposits</td>
<td>2,013,256</td>
</tr>
<tr>
<td>Restricted cash - lockbox</td>
<td>5,500,000</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>142,912,669</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, net of depreciation</td>
<td>160,695</td>
</tr>
<tr>
<td>Deposits</td>
<td>129,060</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td><strong>289,755</strong></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>143,202,424</strong></td>
</tr>
</tbody>
</table>

## LIABILITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>745,761</td>
</tr>
<tr>
<td>Accrued Cost of Electricity</td>
<td>31,851,073</td>
</tr>
<tr>
<td>Accrued Payroll &amp; Benefits</td>
<td>279,659</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>450,820</td>
</tr>
<tr>
<td>User Taxes and Energy Surcharges due to other gov'ts</td>
<td>984,231</td>
</tr>
<tr>
<td>Supplier Security Deposits</td>
<td>28,320</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>34,339,864</strong></td>
</tr>
</tbody>
</table>

## NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>160,695</td>
</tr>
<tr>
<td>Restricted for security collateral</td>
<td>5,500,000</td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>103,201,865</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td><strong>$108,862,560</strong></td>
</tr>
</tbody>
</table>
## SILICON VALLEY CLEAN ENERGY AUTHORITY

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

October 1, 2018 through June 30, 2019

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Sales, Net</td>
<td>$193,187,200</td>
</tr>
<tr>
<td>GreenPrime electricity premium</td>
<td>667,741</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td><strong>193,854,941</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Electricity</td>
<td>155,812,652</td>
</tr>
<tr>
<td>Staff Compensation and benefits</td>
<td>2,428,554</td>
</tr>
<tr>
<td>Data Management</td>
<td>2,556,346</td>
</tr>
<tr>
<td>Service Fees - PG&amp;E</td>
<td>863,907</td>
</tr>
<tr>
<td>Consultants and Other Professional Fees</td>
<td>1,093,703</td>
</tr>
<tr>
<td>Legal</td>
<td>274,750</td>
</tr>
<tr>
<td>Communications &amp; Noticing</td>
<td>302,116</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>741,530</td>
</tr>
<tr>
<td>Depreciation</td>
<td>37,783</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>164,111,341</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING INCOME(LOSS)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>29,743,600</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>800,020</td>
</tr>
<tr>
<td>Financing costs</td>
<td>(115,780)</td>
</tr>
<tr>
<td><strong>TOTAL NONOPERATING EXPENSES</strong></td>
<td><strong>684,240</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHANGE IN NET POSITION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position at beginning of period</td>
<td>78,434,720</td>
</tr>
<tr>
<td><strong>Net Position at end of period</strong></td>
<td><strong>$108,862,560</strong></td>
</tr>
</tbody>
</table>

Treasurer Report - June 2019
SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2018 through June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales $ 192,996,389
Receipts from wholesale sales 540,740
Supplier security deposits 28,320
Tax and surcharge receipts from customers $3,736,646 2,736,646
Energy settlements received 5,256,211
Deposits and collateral received 13,558,737
Payments to purchase electricity (165,175,627)
Payments for staff compensation and benefits (2,416,601)
Payments for data manager fees (2,413,452)
Payments for PG&E service fees (862,995)
Payments for consultants and other professional services (938,586)
Payments for legal fees (306,182)
Payments for communications and noticing (336,407)
Payments for general and administrative (919,292)
Payments of deposits and collateral (1,515,723)
Return of security deposits to suppliers (585,000)
Tax and surcharge payments to other governments (3,757,033)

Net cash provided (used) by operating activities $36,890,145 35,890,145

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Interest and related expense payments (208,937)

Net cash provided (used) by non-capital financing activities (208,937)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets (14,158)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Interest income received 800,020

Net change in cash and cash equivalents $37,467,070 36,467,070
Cash and cash equivalents at beginning of year 58,963,340
Cash and cash equivalents at end of period $96,430,410 $ 95,430,410
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (loss) $ 29,743,600

Adjustments to reconcile operating income to net cash provided (used) by operating activities

Depreciation expense 37,783
Revenue reduced for uncollectible accounts 974,146
(Increase) decrease in net accounts receivable 930,819
(Increase) decrease in energy settlements receivable -
(Increase) decrease in other receivables (144,501)
(Increase) decrease in accrued revenue (2,747,750)
(Increase) decrease in prepaid expenses (1,585,945)
(Increase) decrease in current deposits 12,043,014
Increase (decrease) in accounts payable 25,223
Increase (decrease) in accrued payroll & benefits 88,370
Increase (decrease) in energy settlements payable 1,747,062
Increase (decrease) in accrued cost of electricity (4,079,662)
Increase (decrease) in accrued liabilities 450,820
Increase (decrease) in taxes and surcharges due to other governments (36,154)
Increase (decrease) in supplier security deposits (556,680)

Net cash provided (used) by operating activities $ 36,890,145
## REVENUES & OTHER SOURCES

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended</th>
<th>Variance</th>
<th>FY 2018-19 Amended</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Sales</td>
<td>$ 193,187,200</td>
<td>$ 192,726,184</td>
<td>$ 461,016</td>
<td>0%</td>
<td>$ 281,890,000</td>
</tr>
<tr>
<td>Green Prime Premium</td>
<td>667,741</td>
<td>500,233</td>
<td>167,508</td>
<td>33%</td>
<td>630,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>-</td>
<td>62,500</td>
<td>(62,500)</td>
<td>-100%</td>
<td>100,000</td>
</tr>
<tr>
<td>Investment Income</td>
<td>800,020</td>
<td>625,271</td>
<td>174,749</td>
<td>0%</td>
<td>850,000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES &amp; OTHER SOURCES</strong></td>
<td><strong>194,654,961</strong></td>
<td><strong>193,914,188</strong></td>
<td><strong>740,773</strong></td>
<td>0%</td>
<td><strong>283,470,000</strong></td>
</tr>
</tbody>
</table>

## EXPENDITURES & OTHER USES

### CURRENT EXPENDITURES

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended</th>
<th>Variance</th>
<th>FY 2018-19 Amended</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Supply</td>
<td>155,812,652</td>
<td>166,495,031</td>
<td>10,682,379</td>
<td>6%</td>
<td>234,330,000</td>
</tr>
<tr>
<td>Data Management</td>
<td>2,556,346</td>
<td>2,673,882</td>
<td>117,536</td>
<td>4%</td>
<td>3,560,000</td>
</tr>
<tr>
<td>PG&amp;E Fees</td>
<td>863,907</td>
<td>844,053</td>
<td>(19,854)</td>
<td>-2%</td>
<td>1,120,000</td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>2,428,554</td>
<td>3,073,020</td>
<td>644,466</td>
<td>21%</td>
<td>4,300,000</td>
</tr>
<tr>
<td>Professional Services</td>
<td>1,105,878</td>
<td>1,618,122</td>
<td>512,244</td>
<td>32%</td>
<td>2,290,000</td>
</tr>
<tr>
<td>Marketing &amp; Promotions</td>
<td>253,134</td>
<td>596,017</td>
<td>342,883</td>
<td>58%</td>
<td>910,000</td>
</tr>
<tr>
<td>Notifications</td>
<td>48,982</td>
<td>105,785</td>
<td>56,803</td>
<td>54%</td>
<td>160,000</td>
</tr>
<tr>
<td>Lease</td>
<td>243,644</td>
<td>246,023</td>
<td>2,379</td>
<td>1%</td>
<td>330,000</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>496,560</td>
<td>601,967</td>
<td>105,407</td>
<td>18%</td>
<td>836,000</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT EXPENDITURES</strong></td>
<td><strong>163,809,657</strong></td>
<td><strong>176,253,901</strong></td>
<td><strong>12,444,244</strong></td>
<td>7%</td>
<td><strong>247,836,000</strong></td>
</tr>
</tbody>
</table>

### OTHER USES

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended</th>
<th>Variance</th>
<th>FY 2018-19 Amended</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Programs</td>
<td>263,901</td>
<td>3,540,180</td>
<td>3,276,279</td>
<td>93%</td>
<td>5,640,000</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>19,919</td>
<td>133,333</td>
<td>113,414</td>
<td>85%</td>
<td>200,000</td>
</tr>
<tr>
<td>Financial Security Requirement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>147,000</td>
</tr>
<tr>
<td>Refund of Bond</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0%</td>
<td>(100,000)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER USES</strong></td>
<td><strong>283,820</strong></td>
<td><strong>3,673,513</strong></td>
<td><strong>3,389,693</strong></td>
<td>92%</td>
<td><strong>5,887,000</strong></td>
</tr>
</tbody>
</table>

### DEBT SERVICE

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended</th>
<th>Variance</th>
<th>FY 2018-19 Amended</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing</td>
<td>115,780</td>
<td>90,000</td>
<td>(25,780)</td>
<td>-29%</td>
<td>90,000</td>
</tr>
<tr>
<td>Interest</td>
<td>-</td>
<td>75,000</td>
<td>75,000</td>
<td>100%</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>TOTAL DEBT SERVICE</strong></td>
<td><strong>115,780</strong></td>
<td><strong>165,000</strong></td>
<td><strong>49,220</strong></td>
<td><strong>30%</strong></td>
<td><strong>210,000</strong></td>
</tr>
</tbody>
</table>

### Total Expenditures, Other Uses

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended</th>
<th>Variance</th>
<th>FY 2018-19 Amended</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>&amp; Debt Service</strong></td>
<td><strong>164,209,257</strong></td>
<td><strong>180,092,414</strong></td>
<td><strong>15,883,157</strong></td>
<td>9%</td>
<td><strong>253,933,000</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Amended</th>
<th>Variance</th>
<th>FY 2018-19 Amended</th>
<th>% Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Balance</strong></td>
<td><strong>$ 30,445,704</strong></td>
<td><strong>$ 13,821,774</strong></td>
<td><strong>$ 16,623,930</strong></td>
<td>120%</td>
<td><strong>$ 29,537,000</strong></td>
</tr>
</tbody>
</table>
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 $30,445,704

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

Subtract depreciation expense (37,783)
Add back capital asset acquisitions 19,919

Change in Net Position 30,427,840
## SILICON VALLEY CLEAN ENERGY AUTHORITY
### STATEMENT OF REVENUES, EXPENSES
#### AND CHANGES IN NET POSITION
October 1, 2018 through June 30, 2019

### OPERATING REVENUES
<table>
<thead>
<tr>
<th>Item</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales, net</td>
<td>26,013,308</td>
<td>18,589,640</td>
<td>20,295,540</td>
<td>19,278,907</td>
<td>17,206,905</td>
<td>18,251,186</td>
<td>18,570,969</td>
<td>30,086,479</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green electricity premium</td>
<td>76,005</td>
<td>68,459</td>
<td>67,567</td>
<td>73,924</td>
<td>61,034</td>
<td>69,967</td>
<td>71,198</td>
<td>80,664</td>
<td>100,923</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>26,089,313</td>
<td>18,656,099</td>
<td>20,363,107</td>
<td>19,352,831</td>
<td>17,267,939</td>
<td>17,864,233</td>
<td>18,322,384</td>
<td>25,751,633</td>
<td>30,187,402</td>
<td>193,854,941</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### OPERATING EXPENSES
<table>
<thead>
<tr>
<th>Item</th>
<th>September</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of electricity</td>
<td>17,160,575</td>
<td></td>
</tr>
<tr>
<td>Staff compensation and benefits</td>
<td>236,907</td>
<td>256,926</td>
</tr>
<tr>
<td>Data manager</td>
<td>301,479</td>
<td>300,856</td>
</tr>
<tr>
<td>Service fees - PG&amp;E</td>
<td>94,279</td>
<td>94,000</td>
</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>130,737</td>
<td>114,869</td>
</tr>
<tr>
<td>General and administration</td>
<td>99,316</td>
<td>70,743</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,179</td>
<td>4,335</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>18,027,472</td>
<td>17,734,317</td>
</tr>
<tr>
<td>Operating income (loss)</td>
<td>8,061,841</td>
<td>921,782</td>
</tr>
</tbody>
</table>

### NONOPERATING REVENUES (EXPENSES)
<table>
<thead>
<tr>
<th>Item</th>
<th>September</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>30,474</td>
<td>30,758</td>
</tr>
<tr>
<td>Interest and related expense</td>
<td>(58,997)</td>
<td>58,997</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>30,474</td>
<td>30,758</td>
</tr>
</tbody>
</table>

### CHANGE IN NET POSITION
<table>
<thead>
<tr>
<th>Item</th>
<th>September</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 8,092,315$ $ 952,540 $ $ 1,946,717 $ (4,618,877) $ (523,483) $ 4,025,809 $ 4,649,326 $ 7,917,070 $ 8,186,223 $ - $ - $ - $ 30,427,840</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## PERSONNEL REPORT FOR JUNE 2019

<table>
<thead>
<tr>
<th>Position</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Account Services and Community Relations</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Account Services Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Energy Consultant</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Energy Associate</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Communications Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Community Outreach Specialist</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Communications Specialist</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Board Clerk/Executive Assistant</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Finance and Administration</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Services Manager</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Management Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Power Resources</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Power Resources Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Power Resources Planner</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Power Settlements &amp; Compliance Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Manager of Regulatory and Legislative Affairs</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Senior Regulatory Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Decarbonization and Grid Innovation</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Data Analyst</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25</td>
<td>20</td>
<td>5</td>
</tr>
</tbody>
</table>
SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY
October 1, 2018 through June 30, 2019

<table>
<thead>
<tr>
<th>Return on Investments</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>YTD Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>$30,474</td>
<td>$30,758</td>
<td>$58,997</td>
<td>$128,308</td>
<td>$96,180</td>
<td>$109,063</td>
<td>$108,802</td>
<td>$115,167</td>
<td>$122,271</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$800,020</td>
</tr>
</tbody>
</table>

Portfolio Invested
- Average daily portfolio available to invest*: 55,148,395 63,583,109 62,254,625 69,135,839 70,770,817 71,496,022 71,216,494 74,309,263 76,499,135
- Average daily portfolio invested: 20,154,823 20,185,339 35,700,846 60,277,386 60,380,303 60,476,566 60,585,707 60,693,659 70,923,535
- % of average daily portfolio invested: 36.5% 31.7% 57.3% 87.2% 85.3% 84.6% 85.1% 81.7% 92.7%

Detail of Portfolio
<table>
<thead>
<tr>
<th>Money Market - River City Bank</th>
<th>Opening Rate %</th>
<th>Current Rate %</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.26%</td>
<td>2.04%</td>
<td>$70,923,535</td>
</tr>
</tbody>
</table>

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

RESIDENTIAL ACCOUNTS

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual (Thousands)</th>
<th>Budget (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct</td>
<td>239.7</td>
<td>240.0</td>
</tr>
<tr>
<td>Nov</td>
<td>240.0</td>
<td>240.4</td>
</tr>
<tr>
<td>Dec</td>
<td>240.4</td>
<td>240.5</td>
</tr>
<tr>
<td>Jan</td>
<td>240.5</td>
<td>240.6</td>
</tr>
<tr>
<td>Feb</td>
<td>240.6</td>
<td>240.8</td>
</tr>
<tr>
<td>Mar</td>
<td>240.8</td>
<td>241.4</td>
</tr>
<tr>
<td>Apr</td>
<td>241.4</td>
<td>240.4</td>
</tr>
<tr>
<td>May</td>
<td>240.4</td>
<td>240.3</td>
</tr>
<tr>
<td>Jun</td>
<td>240.3</td>
<td></td>
</tr>
<tr>
<td>Jul</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NON-RESIDENTIAL ACCOUNTS

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual (Thousands)</th>
<th>Budget (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Nov</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Dec</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Jan</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Feb</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Mar</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Apr</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>May</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Jun</td>
<td>27.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Jul</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aug</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WEATHER STATISTICS

COOLING DEGREE DAYS

HEATING DEGREE DAYS
**SILICON VALLEY CLEAN ENERGY AUTHORITY**

**ACCOUNTS RECEIVABLE AGING REPORT**

<table>
<thead>
<tr>
<th>Accounts Receivable</th>
<th>Total</th>
<th>Days</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$24,458,342</td>
<td>0-30 31-60 61-90 90-120* Over 120*</td>
</tr>
<tr>
<td></td>
<td>$22,043,914</td>
<td>$651,559 $312,305 $249,871 $1,200,692</td>
</tr>
<tr>
<td>Period %</td>
<td>100%</td>
<td>90.1% 2.7% 1.3% 1.0% 4.9%</td>
</tr>
</tbody>
</table>

*Note: A portion of accounts that are greater than 90 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: Approve Human Resources Policy 5, Paid Time Off Cash-Out Option Policy

Date: 8/14/2019

RECOMMENDATION
Staff recommends that the Finance and Administration Committee recommend the Board approve HRP5 – Paid Time Off (PTO) Cash-Out Option Policy.

FINANCE AND ADMINISTRATION COMMITTEE RECOMMENDATION
The Finance and Administration committee met August 6th and were unanimous with one committee member absent to recommend Board approval of the attached policy and PTO Cash-Out form.

BACKGROUND
In an effort to provide employees with more flexibility in utilizing their time-off benefits or be able to respond to financial hardships, employees may consider cashing out accrued PTO up to eighty (80) hours per calendar year as long as the employee maintains a minimum balance of forty (40) hours in their PTO bank at the time of the cash-out.

STRATEGIC PLAN
The recommendation supports Best Place to Work Goal of the Strategic Plan.

FISCAL IMPACT
There is no fiscal impact with this report.

ATTACHMENTS
1. HRP5 – PTO Cash-Out Option Policy
2. Irrevocable PTO Cash-Out Form
PAID TIME OFF (PTO) CASH-OUT OPTION POLICY

I. PURPOSE
   a. Although Silicon Valley Clean Energy (SVCE) encourages employees to take time off away from work in order to have a more balanced lifestyle, SVCE is offering a PTO Cash-Out Option for eligible employees. This policy is intended to provide you with more flexibility in utilizing your time-off benefits.

II. SCOPE
   a. This policy applies to all SVCE Full-Time Employees.

III. POLICY
   a. At the time of the cash-out, a minimum of 40 hours MUST be retained in the PTO bank.
   b. Remember to allow enough PTO hours in your bank in order to cover vacation, sick days, and emergencies.
   c. Your PTO Cash-Out will be based on your current base pay at the time of the payout.
   d. PTO Cash-Out is subject to all applicable taxes and deductions taken on earnings.
   e. PTO Cash-Out will be exempt from deferred compensation (401a, 457b) deductions.
   f. Eligible employees are limited to two PTO cash-outs per calendar year but not to exceed 80 hours per calendar year.

IV. PROCEDURE
   a. To elect this benefit, you MUST complete the irrevocable PTO election form.
   b. A confirmation will be sent to you once the 40 hours in your PTO bank has been verified.
   c. The cash-out pay date will be made on the Friday of the following pay period.
IRREVOCABLE PTO CASH-OUT FORM

Date of Request:__________

Employee Name:____________________________________

Number of PTO Hours Requested to Cash-Out:_______

Employee Signature:________________________________

Supervisor Signature:_______________________________

Admin. Analyst Signature:____________________________
(Confirms minimum PTO balance compliance)
Staff Report – Item 1d

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

Item 1d: Receive Rate Update Effective August 1, 2019

Date: 8/14/2019

RECOMMENDATION
Receive staff report and rate tables for new SVCE rates effective August 1, 2019 at a 4% discount to PG&E, established per the discount framework approved by the Board on June 12, 2019 and the adoption of Resolution 2019-11.

BACKGROUND
In April 2019, the SVCE Board approved two rate changes. The first was an average rate increase of 3% effective as of May 1st. This reflected a similar increase made by PG&E in March of 2019 and maintained SVCE’s discount to PG&E at 6%, consistent with SVCE’s discount in 2018.

The second approved rate change was to be made effective August 1st, 2019. Importantly, as PG&E’s July 2019 rates were not yet known, the Board also requested the creation of a ‘discount framework’ (aka guard rails), to be approved by the Board in June, whereby the actual SVCE discount to be applied effective August 1st would depend on the actual changes to PG&E generation rates and PCIA effective July 1.

At the June 12th Board meeting, the Board approved a framework by which SVCE’s discount to PG&E rates would be updated and made effective as of August 1, 2019. This framework assessed the ‘net rate impact’ to current SVCE rates of the actual changes to PG&E generation and PCIA rates to become effective on July 1, 2019. The net rate impact was then used to establish SVCE’s new discount to PG&E’s generation rates, which became effective in SVCE rates as of August 1, 2019.

The net rate impact of PG&E rate changes to SVCE is a function of percentage changes in the PG&E generation rate, and the PCIA rate. Since the average PCIA rate is roughly equivalent to one-third of the generation rate, the impact of PCIA rate changes is only one-third the impact of a change to the PG&E generation rate. And a positive percentage change in the PCIA rate negatively affects SVCE, so this value is subtracted from PG&E rate change percentage as shown below.

<table>
<thead>
<tr>
<th>Net SVCE Rate Impact from PG&amp;E Gen &amp; PCIA Changes</th>
<th>= (PG&amp;E Rate Change %) - (PCIA Rate Change %)/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Example:</td>
<td>0.5% ≈ (+4%) – (+10.5%)/3</td>
</tr>
<tr>
<td>Examples with Changes:</td>
<td>- 0.5% ≈ (+3%) – (+10.5%)/3</td>
</tr>
<tr>
<td></td>
<td>1.5% ≈ (+4%) – (+7.5%)/3</td>
</tr>
</tbody>
</table>
As of the June SVCE board meeting, PG&E generation rates were anticipated to increase by 4%, and PCIA rates to increase by 10.5%. Accordingly, these anticipated values would represent a 0.5% positive impact to SVCE rates. But if actual rate changes were to vary from projections, the net rate impact to SVCE may vary, as shown in the Examples with Changes above.

Per the 'Discount Framework' shown below, the net rate impact of percentage changes for PG&E generation and PCIA rates effective July 1, 2019 would then be used to finalize the discount to be applied to SVCE rates effective August 1, 2019. As of the June Board meeting, the SVCE discount for August 1st was anticipated to be 3%. Should the actual net impact vary from what projected at that time, the discount percentage would be modified up or down to maintain the customer rate impact and contribution to reserves as shown below.

**Discount Framework for Finalizing August 1 Rates**

<table>
<thead>
<tr>
<th>Net Rate Impact</th>
<th>August 1 SVCE Discount</th>
<th>Average Aug 1 Rate Change</th>
<th>$ Above Mid-Year Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>more than 3%</td>
<td>6%</td>
<td>5%</td>
<td>$11.3 - $13.5M</td>
</tr>
<tr>
<td>2 to 3%</td>
<td>5%</td>
<td>5%</td>
<td>$11.3 - $13.5M</td>
</tr>
<tr>
<td>1 to 2%</td>
<td>4%</td>
<td>5%</td>
<td>$11.3 - $13.5M</td>
</tr>
<tr>
<td>0 to 1%</td>
<td>3%</td>
<td>5%</td>
<td>$11.3 - $13.5M</td>
</tr>
<tr>
<td>-1 to 0%</td>
<td>2%</td>
<td>5%</td>
<td>$11.3 - $13.5M</td>
</tr>
<tr>
<td>less than -1%</td>
<td>1%</td>
<td>5%</td>
<td>$11.3 - $13.5M</td>
</tr>
</tbody>
</table>

Effective August 1st, 2019, SVCE would plan to update all GreenStart generation rates to be exactly 3% (or discount as determined by the Discount Framework) below PG&E's corresponding generation rate, including surcharges (PCIA and Franchise Fee). This rate design approach has been used since the launch of SVCE and has the advantages of comparability and ease of customer communications in that the generation cost savings are set at a consistent level for all customers, rates and rate determinants.

**ANALYSIS & DISCUSSION**

PG&E published new generation and PCIA rates in late June, which became effective as of July 1. Per the chart below, PG&E’s generation rate changes came in quite close to what was anticipated (an increase of 3.78% versus 4%), but the PCIA rate increase was lower than anticipated (7.04% versus 10.5%). As a result, the net rate impact to SVCE was 1.43% versus the anticipated 0.5%.

| Calculation of 'Net Rate Impact' to SVCE of July 1, 2019 PG&E Rate Changes |
|-----------------------------|---------------------------------|------------------|
| Generation Rate | % Load | PG&E May to July Change | SVCE Load Weighted % |
| Residential | 33% | 4.14% | 1.37% |
| Non Res | 67% | 3.60% | 2.41% |
| SVCE Weighted Gen Rate Change | | | 3.78% |
| PCIA Rate | | | |
| Residential | 33% | -19.28% | -6.36% |
| Non Res | 67% | 20% | 13.40% |
| SVCE Weighted PCIA Rate Change | | | 7.04% |
| SVCE Net Rate Impact | | | 1.43 |

Per the Discount Framework approved in June, this resulted in SVCE’s discount to PG&E being set at 4% as of August 1st, versus the 3% level originally anticipated. Based on how the Framework was set up, the increased
discount results in no changes to SVCE’s average rate increase for August 1st of 5% and maintains an additional $11.3 - $13.5M reserve contribution between August 2019 and January 2020, relative to the mid-year 2019 budget.

**Discount Framework - August 1st SVCE Rates**

The Aug 1st SVCE Discount was set at 4%, based on the 1.43% Net Rate Impact of actual PG&E generation and PCIA rates made effective July 1st.

<table>
<thead>
<tr>
<th>Net Rate Impact PG&amp;E Gen &amp; PCIA (Range)</th>
<th>August 1st SVCE Discount</th>
<th>Average Aug 1st Rate Change</th>
<th>$ Above Mid-Year Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>more than 3%</td>
<td>6%</td>
<td>5%</td>
<td>$11.3 - $13.5M</td>
</tr>
<tr>
<td>2 to 3%</td>
<td>5%</td>
<td>5%</td>
<td>$11.3 - 13.5M</td>
</tr>
<tr>
<td>1 to 2%</td>
<td>4%</td>
<td>5%</td>
<td>$11.3 - 13.5M</td>
</tr>
<tr>
<td>0 to 1%</td>
<td>3%</td>
<td>5%</td>
<td>$11.3 - 13.5M</td>
</tr>
<tr>
<td>-1 to 0%</td>
<td>2%</td>
<td>5%</td>
<td>$11.3 - 13.5M</td>
</tr>
<tr>
<td>less than -1%</td>
<td>1%</td>
<td>5%</td>
<td>$11.3 - 13.5M</td>
</tr>
</tbody>
</table>

All SVCE rate schedules and associated billing determinants were updated and made effective as of August 1st, 2019 to reflect this new 4% discount level relative to PG&E’s generation rates. Updated rate schedules are attached.

**STRATEGIC PLAN**
Rate setting is directly supported by SVCE Strategic Plan Goal 2 – maintain competitive rates to acquire and retain customers.

**FISCAL IMPACT**
The fiscal impact of the August 1st, 2019 rate change is $11.3 - $13.5M in additional reserve contributions to SVCE between August 2019 and January 2020, relative to the mid-year 2019 budget.

**ATTACHMENT**
1. SVCE Residential Rate Schedule effective August 1, 2019
2. SVCE Non-Residential Rate Schedule effective August 1, 2019
# Silicon Valley Clean Energy

## Residential Generation Rates and Generation Service Cost Comparison

<table>
<thead>
<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates</th>
<th>SVCE Generation Service</th>
<th>PG&amp;E Generation Service</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-1</td>
<td>Year-round</td>
<td>$0.08519</td>
<td>$0.11287</td>
<td>$0.11757</td>
<td>Rates applicable to all usage throughout the year</td>
</tr>
<tr>
<td>E-6</td>
<td><strong>Summer</strong> (May-Oct)</td>
<td><strong>SUMMER PEAK</strong></td>
<td>$0.21712</td>
<td>$0.24480</td>
<td>$0.25500</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>SUMMER PART-PEAK</strong></td>
<td>$0.10342</td>
<td>$0.13110</td>
<td>$0.13656</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>SUMMER OFF-PEAK</strong></td>
<td>$0.05701</td>
<td>$0.08469</td>
<td>$0.08822</td>
</tr>
<tr>
<td></td>
<td><strong>Winter</strong> (Nov-Apr)</td>
<td><strong>WINTER PART-PEAK</strong></td>
<td>$0.08278</td>
<td>$0.11046</td>
<td>$0.11506</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>WINTER OFF-PEAK</strong></td>
<td>$0.07002</td>
<td>$0.09770</td>
<td>$0.10177</td>
</tr>
<tr>
<td>EV-A, EV-B</td>
<td><strong>Summer</strong> (May-Oct)</td>
<td><strong>SUMMER PEAK</strong></td>
<td>$0.23963</td>
<td>$0.26731</td>
<td>$0.27845</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>SUMMER PART-PEAK</strong></td>
<td>$0.10114</td>
<td>$0.12882</td>
<td>$0.13419</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>SUMMER OFF-PEAK</strong></td>
<td>$0.03706</td>
<td>$0.06474</td>
<td>$0.06744</td>
</tr>
<tr>
<td></td>
<td><strong>Winter</strong> (Nov-Apr)</td>
<td><strong>WINTER PEAK</strong></td>
<td>$0.07221</td>
<td>$0.09989</td>
<td>$0.10405</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>WINTER PART-PEAK</strong></td>
<td>$0.03473</td>
<td>$0.06241</td>
<td>$0.06501</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>WINTER OFF-PEAK</strong></td>
<td>$0.03937</td>
<td>$0.06705</td>
<td>$0.06984</td>
</tr>
</tbody>
</table>
## Silicon Valley Clean Energy
Residential Generation Rates and Generation Service Cost Comparison

<table>
<thead>
<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates $</th>
<th>SVCE Generation Service $</th>
<th>PG&amp;E Generation Service $</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EV-2A</strong></td>
<td>Summer (Jun-Sep)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUMMER PEAK</td>
<td></td>
<td>$ 0.15074</td>
<td>$ 0.17842</td>
<td>$ 0.18585</td>
<td>4:00 p.m. to 9:00 p.m. every day including weekends and holidays</td>
</tr>
<tr>
<td>SUMMER PART-PEAK</td>
<td></td>
<td>$ 0.10781</td>
<td>$ 0.13549</td>
<td>$ 0.14114</td>
<td>3:00 p.m. to 4:00 p.m. and 9:00 p.m. to 12:00 a.m. every day including weekends and holidays</td>
</tr>
<tr>
<td>SUMMER OFF-PEAK</td>
<td></td>
<td>$ 0.06832</td>
<td>$ 0.09600</td>
<td>$ 0.10000</td>
<td>All other hours</td>
</tr>
<tr>
<td><strong>Winter</strong> (Oct-May)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WINTER PEAK</td>
<td></td>
<td>$ 0.09613</td>
<td>$ 0.12381</td>
<td>$ 0.12897</td>
<td>4:00 p.m. to 9:00 p.m. every day including weekends and holidays</td>
</tr>
<tr>
<td>WINTER PART-PEAK</td>
<td></td>
<td>$ 0.08415</td>
<td>$ 0.11183</td>
<td>$ 0.11649</td>
<td>3:00 p.m. to 4:00 p.m. and 9:00 p.m. to 12:00 a.m. every day including weekends and holidays</td>
</tr>
<tr>
<td>WINTER OFF-PEAK</td>
<td></td>
<td>$ 0.06161</td>
<td>$ 0.08929</td>
<td>$ 0.09301</td>
<td>All other hours</td>
</tr>
<tr>
<td><strong>E-TOU-A</strong></td>
<td>Summer (Jun-Sep)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUMMER PEAK</td>
<td></td>
<td>$ 0.16540</td>
<td>$ 0.19308</td>
<td>$ 0.20113</td>
<td>3:00 p.m. to 8:00 p.m. Monday through Friday</td>
</tr>
<tr>
<td>SUMMER OFF-PEAK</td>
<td></td>
<td>$ 0.09285</td>
<td>$ 0.12053</td>
<td>$ 0.12555</td>
<td>All other times including Holidays</td>
</tr>
<tr>
<td><strong>Winter</strong> (Oct-May)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WINTER PEAK</td>
<td></td>
<td>$ 0.08156</td>
<td>$ 0.10924</td>
<td>$ 0.11379</td>
<td>3:00 p.m. to 8:00 p.m. Monday through Friday</td>
</tr>
<tr>
<td>WINTER OFF-PEAK</td>
<td></td>
<td>$ 0.06783</td>
<td>$ 0.09551</td>
<td>$ 0.09949</td>
<td>All other times including Holidays</td>
</tr>
</tbody>
</table>
## Silicon Valley Clean Energy
Residential Generation Rates and Generation Service Cost Comparison

<table>
<thead>
<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates</th>
<th>SVCE Generation Service</th>
<th>PG&amp;E Generation Service</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E-TOU-B</strong></td>
<td><strong>Summer</strong> (Jun-Sep)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUMMER PEAK</td>
<td>$ 0.18642</td>
<td>$ 0.21410</td>
<td>$ 0.22302</td>
<td>4:00 p.m. to 9:00 p.m. Monday through Friday</td>
<td></td>
</tr>
<tr>
<td>SUMMER OFF-PEAK</td>
<td>$ 0.08748</td>
<td>$ 0.11516</td>
<td>$ 0.11996</td>
<td>All other times including Holidays</td>
<td></td>
</tr>
<tr>
<td><strong>Winter</strong> (Oct-May)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WINTER PEAK</td>
<td>$ 0.08385</td>
<td>$ 0.11153</td>
<td>$ 0.11618</td>
<td>4:00 p.m. to 9:00 p.m. Monday through Friday</td>
<td></td>
</tr>
<tr>
<td>WINTER OFF-PEAK</td>
<td>$ 0.06581</td>
<td>$ 0.09349</td>
<td>$ 0.09739</td>
<td>All other times including Holidays</td>
<td></td>
</tr>
<tr>
<td><strong>E-TOU-C</strong></td>
<td><strong>Summer</strong> (Jun-Sep)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUMMER PEAK</td>
<td>$ 0.14139</td>
<td>$ 0.16907</td>
<td>$ 0.17611</td>
<td>4:00 p.m. to 9:00 p.m. everyday</td>
<td></td>
</tr>
<tr>
<td>SUMMER OFF-PEAK</td>
<td>$ 0.08048</td>
<td>$ 0.10816</td>
<td>$ 0.11267</td>
<td>All other times</td>
<td></td>
</tr>
<tr>
<td><strong>Winter</strong> (Oct-May)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WINTER PEAK</td>
<td>$ 0.08718</td>
<td>$ 0.11486</td>
<td>$ 0.11965</td>
<td>4:00 p.m. to 9:00 p.m. everyday</td>
<td></td>
</tr>
<tr>
<td>WINTER OFF-PEAK</td>
<td>$ 0.07055</td>
<td>$ 0.09823</td>
<td>$ 0.10232</td>
<td>All other times</td>
<td></td>
</tr>
<tr>
<td><strong>GreenPrime</strong></td>
<td>+ $ 0.00800</td>
<td></td>
<td></td>
<td>Same as applicable rate, with $0.008/kWh adder for 100% Renewable energy</td>
<td></td>
</tr>
</tbody>
</table>

1 SVCE Generation Rates, without added PG&E fees, effective 8/1/2019
2 SVCE Generation Service reflects our price for Generation, with added PG&E fees (PCIA and Franchise Fees), effective 8/1/2019
3 PG&E Generation service rate effective 8/1/2019
### Silicon Valley Clean Energy

Non-Residential Generation Rates and Generation Service Cost Comparison

<table>
<thead>
<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates</th>
<th>SVCE Generation Service</th>
<th>PG&amp;E Generation Service</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A-1-A</strong></td>
<td>Summer (May-Oct)</td>
<td>$0.10019</td>
<td>$0.12783</td>
<td>$0.13316</td>
<td>Rates applicable to all usage throughout the season</td>
</tr>
<tr>
<td></td>
<td>Winter (Nov-Apr)</td>
<td>$0.06167</td>
<td>$0.08931</td>
<td>$0.09303</td>
<td>Rates applicable to all usage throughout the season</td>
</tr>
</tbody>
</table>

| **A-1-B**         | Summer (May-Oct)   | 12 Noon to 6 P.M. Monday through Friday (except holidays) |
|                   | PEAK               | $0.11423              | $0.14187                | $0.14778                |
|                   | PART-PEAK          | $0.09152              | $0.11916                | $0.12413                | 8:30 A.M. to 12 Noon and 6 P.M. to 9:30 P.M. Monday through Friday (except holidays) |
|                   | OFF-PEAK           | $0.06526              | $0.09290                | $0.09677                | 9:30 P.M. to 8:30 A.M. Monday through Friday, all day Saturday and Sunday, holidays |
|                   | Winter (Nov-Apr)   | 8:30 A.M. to 9:30 P.M. Monday through Friday (except holidays) |
|                   | PART-PEAK          | $0.09134              | $0.11898                | $0.12394                |
|                   | OFF-PEAK           | $0.07126              | $0.09890                | $0.10302                | 9:30 P.M. to 8:30 A.M. Monday through Friday, all day Saturday and Sunday, holidays |

| **A-6**           | Summer (May-Oct)   | 12 Noon to 6 P.M. Monday through Friday (except holidays) |
|                   | PEAK               | $0.34440              | $0.37204                | $0.38754                |
|                   | PART-PEAK          | $0.11439              | $0.14203                | $0.14795                | 8:30 A.M. to 12 Noon and 6 P.M. to 9:30 P.M. Monday through Friday (except holidays) |
|                   | OFF-PEAK           | $0.05843              | $0.08607                | $0.08966                | 9:30 P.M. to 8:30 A.M. Monday through Friday, all day Saturday and Sunday, holidays |
|                   | Winter (Nov-Apr)   | 8:30 A.M. to 9:30 P.M. Monday through Friday (except holidays) |
|                   | PART-PEAK          | $0.08288              | $0.11052                | $0.11513                |
|                   | OFF-PEAK           | $0.06608              | $0.09372                | $0.09763                | 9:30 P.M. to 8:30 A.M. Monday through Friday and all day Saturday and Sunday, holidays |
### Silicon Valley Clean Energy
Non-Residential Generation Rates and Generation Service Cost Comparison

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<thead>
<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates $^1$</th>
<th>SVCE Generation Service $^2$</th>
<th>PG&amp;E Generation Service $^3$</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A-10-A</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Summer (May-Oct)</td>
<td>$ 0.08877$</td>
<td>$ 0.11755$</td>
<td>$ 0.12245$</td>
<td>Rates applicable to all usage throughout the season</td>
<td></td>
</tr>
<tr>
<td>SUMMER MAX</td>
<td>$ 5.50$</td>
<td>$ 5.50$</td>
<td>$ 5.73$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winter (Nov-Apr)</td>
<td>$ 0.06255$</td>
<td>$ 0.09133$</td>
<td>$ 0.09514$</td>
<td>Rates applicable to all usage throughout the season</td>
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<td><strong>A-10-B</strong></td>
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</tr>
<tr>
<td>Summer (May-Oct)</td>
<td>$ 0.14039$</td>
<td>$ 0.16917$</td>
<td>$ 0.17622$</td>
<td>12 Noon to 6 P.M. Monday through Friday (except holidays)</td>
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<tr>
<td>PEAK</td>
<td>$ 0.08747$</td>
<td>$ 0.11625$</td>
<td>$ 0.12109$</td>
<td>8:30 A.M. to 12 Noon and 6 P.M. to 9:30 P.M. Monday through Friday (except holidays)</td>
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</tr>
<tr>
<td>PART-PEAK</td>
<td>$ 0.06052$</td>
<td>$ 0.08930$</td>
<td>$ 0.09302$</td>
<td>9:30 P.M. to 8:30 A.M. Monday through Friday, all day Saturday and Sunday, holidays</td>
<td></td>
</tr>
<tr>
<td>SUMMER MAX</td>
<td>$ 5.50$</td>
<td>$ 5.50$</td>
<td>$ 5.73$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winter (Nov-Apr)</td>
<td>$ 0.07215$</td>
<td>$ 0.10093$</td>
<td>$ 0.10514$</td>
<td>8:30 A.M. to 9:30 P.M. Monday through Friday (except holidays)</td>
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<tr>
<td>PART-PEAK</td>
<td>$ 0.05578$</td>
<td>$ 0.08456$</td>
<td>$ 0.08808$</td>
<td>9:30 P.M. to 8:30 A.M. Monday through Friday, all day Saturday and Sunday, holidays</td>
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</tbody>
</table>
## Silicon Valley Clean Energy
### Non-Residential Generation Rates and Generation Service Cost Comparison

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<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates</th>
<th>SVCE Generation Service ²</th>
<th>PG&amp;E Generation Service ²</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A-10-B-P</strong></td>
<td>Summer (May-Oct)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>PEAK</td>
<td></td>
<td>$ 0.12891</td>
<td>$ 0.15769</td>
<td>$ 0.16426</td>
<td>12 Noon to 6 P.M. Monday through Friday (except holidays)</td>
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<tr>
<td>PART-PEAK</td>
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<td>$ 0.08036</td>
<td>$ 0.10914</td>
<td>$ 0.11369</td>
<td>8:30 A.M. to 12 Noon and 6 P.M. to 9:30 P.M. Monday through Friday (except holidays)</td>
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<td>OFF-PEAK</td>
<td></td>
<td>$ 0.05481</td>
<td>$ 0.08359</td>
<td>$ 0.08707</td>
<td>9:30 P.M. to 8:30 A.M. Monday through Friday, all day Saturday and Sunday, holidays</td>
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<tr>
<td>SUMMER MAX</td>
<td></td>
<td>$ 4.80</td>
<td>$ 4.80</td>
<td>$ 5.00</td>
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<tr>
<td><strong>Winter</strong></td>
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<td></td>
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<tr>
<td>PART-PEAK</td>
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<td>$ 0.06722</td>
<td>$ 0.09600</td>
<td>$ 0.10000</td>
<td>8:30 A.M. to 9:30 P.M. Monday through Friday (except holidays)</td>
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<td>OFF-PEAK</td>
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<td>$ 0.05197</td>
<td>$ 0.08075</td>
<td>$ 0.08411</td>
<td>9:30 P.M. to 8:30 A.M. Monday through Friday, all day Saturday and Sunday, holidays</td>
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**A-10-B-T**

<table>
<thead>
<tr>
<th></th>
<th>Summer (May-Oct)</th>
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<th></th>
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<tbody>
<tr>
<td>PEAK</td>
<td></td>
<td>$ 0.11531</td>
<td>$ 0.14409</td>
<td>$ 0.15009</td>
<td>12 Noon to 6 P.M. Monday through Friday (except holidays)</td>
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<tr>
<td>PART-PEAK</td>
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<td>$ 0.07030</td>
<td>$ 0.09908</td>
<td>$ 0.10321</td>
<td>8:30 A.M. to 12 Noon and 6 P.M. to 9:30 P.M. Monday through Friday (except holidays)</td>
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<tr>
<td>OFF-PEAK</td>
<td></td>
<td>$ 0.04601</td>
<td>$ 0.07479</td>
<td>$ 0.07791</td>
<td>9:30 P.M. to 8:30 A.M. Monday through Friday, all day Saturday and Sunday, holidays</td>
</tr>
<tr>
<td>SUMMER MAX</td>
<td></td>
<td>$ 3.80</td>
<td>$ 3.80</td>
<td>$ 3.96</td>
<td></td>
</tr>
<tr>
<td><strong>Winter</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PART-PEAK</td>
<td></td>
<td>$ 0.05898</td>
<td>$ 0.08776</td>
<td>$ 0.09142</td>
<td>8:30 A.M. to 9:30 P.M. Monday through Friday (except holidays)</td>
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<tr>
<td>OFF-PEAK</td>
<td></td>
<td>$ 0.04500</td>
<td>$ 0.07378</td>
<td>$ 0.07685</td>
<td>9:30 P.M. to 8:30 A.M. Monday through Friday, all day Saturday and Sunday, holidays</td>
</tr>
</tbody>
</table>
### Non-Residential Generation Rates and Generation Service Cost Comparison

<table>
<thead>
<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates</th>
<th>SVCE Generation Service</th>
<th>PG&amp;E Generation Service</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>E-19-S</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Summer (May-Oct)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEAK</td>
<td>12:00 noon to 6:00 p.m. Monday through Friday (except holidays)</td>
<td>$0.11449</td>
<td>$0.14166</td>
<td>$0.14756</td>
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</tr>
<tr>
<td>PART-PEAK</td>
<td>8:30 a.m. to 12:00 noon Monday through Friday AND 6:00 p.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
<td>$0.06878</td>
<td>$0.09595</td>
<td>$0.09995</td>
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</tr>
<tr>
<td>OFF-PEAK</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, and All day Saturday, Sunday, and holidays</td>
<td>$0.03850</td>
<td>$0.06567</td>
<td>$0.06841</td>
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<tr>
<td>PEAK</td>
<td>14.26</td>
<td>$14.26</td>
<td>$14.85</td>
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</tr>
<tr>
<td>PART-PEAK</td>
<td>8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
<td>$0.06251</td>
<td>$0.08968</td>
<td>$0.09342</td>
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</tr>
<tr>
<td>OFF-PEAK</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, All day Saturday, Sunday, and holidays</td>
<td>$0.04602</td>
<td>$0.07319</td>
<td>$0.07624</td>
<td></td>
</tr>
<tr>
<td><strong>Winter (Nov-Apr)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PART-PEAK</td>
<td>8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
<td>$0.06251</td>
<td>$0.08968</td>
<td>$0.09342</td>
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</tr>
<tr>
<td>OFF-PEAK</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, All day Saturday, Sunday, and holidays</td>
<td>$0.04602</td>
<td>$0.07319</td>
<td>$0.07624</td>
<td></td>
</tr>
<tr>
<td><strong>E-19-P</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Summer (May-Oct)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEAK</td>
<td>12:00 noon to 6:00 p.m. Monday through Friday (except holidays)</td>
<td>$0.10365</td>
<td>$0.13082</td>
<td>$0.13627</td>
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</tr>
<tr>
<td>PART-PEAK</td>
<td>8:30 a.m. to 12:00 noon Monday through Friday AND 6:00 p.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
<td>$0.06052</td>
<td>$0.08769</td>
<td>$0.09134</td>
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<tr>
<td>OFF-PEAK</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, and All day Saturday, Sunday, and holidays</td>
<td>$0.03278</td>
<td>$0.05995</td>
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<tr>
<td>PEAK</td>
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<td>$12.69</td>
<td>$13.22</td>
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<tr>
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<td>$0.08186</td>
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<td>OFF-PEAK</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, All day Saturday, Sunday, and holidays</td>
<td>$0.03963</td>
<td>$0.06680</td>
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</tbody>
</table>
## Silicon Valley Clean Energy
### Non-Residential Generation Rates and Generation Service Cost Comparison

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<tbody>
<tr>
<td>E-19-T</td>
<td>Summer (May-Oct)</td>
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<td></td>
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</tr>
<tr>
<td>PEAK</td>
<td></td>
<td>$ 0.06306</td>
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<td>$ 0.09399</td>
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<td>PART-PEAK</td>
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<td>$ 0.04890</td>
<td>$ 0.07607</td>
<td>$ 0.07924</td>
<td>8:30 a.m. to 12:00 noon Monday through Friday AND 6:00 p.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
</tr>
<tr>
<td>OFF-PEAK</td>
<td></td>
<td>$ 0.03017</td>
<td>$ 0.05734</td>
<td>$ 0.05973</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, and All day Saturday, Sunday, and holidays</td>
</tr>
<tr>
<td>PEAK</td>
<td></td>
<td>$ 13.95</td>
<td>$ 13.95</td>
<td>$ 14.53</td>
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<tr>
<td>PART-PEAK</td>
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<td>$ 3.49</td>
<td>$ 3.49</td>
<td>$ 3.64</td>
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</tr>
<tr>
<td></td>
<td>Winter (Nov-Apr)</td>
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<tr>
<td>PART-PEAK</td>
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<td>$ 0.05113</td>
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<td>$ 0.03674</td>
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<td>$ 0.06657</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, All day Saturday, Sunday, and holidays</td>
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<tr>
<td>E-19-R-S</td>
<td>Summer (May-Oct)</td>
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</tr>
<tr>
<td>PEAK</td>
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<td>$ 0.26852</td>
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<td>PART-PEAK</td>
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<td>$ 0.10739</td>
<td>$ 0.13456</td>
<td>$ 0.14017</td>
<td>8:30 a.m. to 12:00 noon Monday through Friday AND 6:00 p.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
</tr>
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<td>OFF-PEAK</td>
<td></td>
<td>$ 0.04268</td>
<td>$ 0.06985</td>
<td>$ 0.07276</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, and All day Saturday, Sunday, and holidays</td>
</tr>
<tr>
<td></td>
<td>Winter (Nov-Apr)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PART-PEAK</td>
<td></td>
<td>$ 0.06588</td>
<td>$ 0.09305</td>
<td>$ 0.09693</td>
<td>8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
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<td>OFF-PEAK</td>
<td></td>
<td>$ 0.04994</td>
<td>$ 0.07711</td>
<td>$ 0.08032</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, All day Saturday, Sunday, and holidays</td>
</tr>
</tbody>
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<tbody>
<tr>
<td><strong>E-19-R-P</strong></td>
<td><strong>Summer</strong> (May-Oct)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PEAK</td>
<td>12:00 noon to 6:00 p.m. Monday through Friday (except holidays)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PART-PEAK</td>
<td>8:30 a.m. to 12:00 noon Monday through Friday AND 6:00 p.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OFF-PEAK</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, and All day Saturday, Sunday, and holidays</td>
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<tr>
<td><strong>Winter</strong> (Nov-Apr)</td>
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<tr>
<td>PART-PEAK</td>
<td>8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
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<tr>
<td>OFF-PEAK</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, All day Saturday, Sunday, and holidays</td>
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<tr>
<td><strong>E-19-R-T</strong></td>
<td><strong>Summer</strong> (May-Oct)</td>
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<td>PEAK</td>
<td>12:00 noon to 6:00 p.m. Monday through Friday (except holidays)</td>
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<td>PART-PEAK</td>
<td>8:30 a.m. to 12:00 noon Monday through Friday AND 6:00 p.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
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<td>OFF-PEAK</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday, and All day Saturday, Sunday, and holidays</td>
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<tr>
<td><strong>Winter</strong> (Nov-Apr)</td>
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<tr>
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<td>OFF-PEAK</td>
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</table>
## Non-Residential Generation Rates and Generation Service Cost Comparison

### SVCE Rate Schedule

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<thead>
<tr>
<th>Time of Use Period</th>
<th>SVCE Generation Rates</th>
<th>SVCE Generation Service</th>
<th>PG&amp;E Generation Service</th>
<th>Notes</th>
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<td><strong>E-20-S Summer</strong> (May-Oct)</td>
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<td>PART-PEAK</td>
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<td><strong>Winter (Nov-Apr)</strong></td>
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## Silicon Valley Clean Energy
### Non-Residential Generation Rates and Generation Service Cost Comparison

<table>
<thead>
<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates&lt;sup&gt;1&lt;/sup&gt;</th>
<th>SVCE Generation Service&lt;sup&gt;2&lt;/sup&gt;</th>
<th>PG&amp;E Generation Service&lt;sup&gt;2&lt;/sup&gt;</th>
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<tr>
<td><strong>E-20-T</strong></td>
<td><strong>Summer</strong> (May-Oct)</td>
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<td>PEAK</td>
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<td>SVCE Rate Schedule</td>
<td>Time of Use Period</td>
<td>SVCE Generation Rates</td>
<td>SVCE Generation Service $</td>
<td>PG&amp;E Generation Service $</td>
<td>Notes</td>
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<td>PEAK</td>
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<td>$ 0.28575</td>
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<td>PART-PEAK</td>
<td>$ 0.09934</td>
<td>$ 0.12394</td>
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<td>OFF-PEAK</td>
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<td>$ 0.06358</td>
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<td>Winter (Nov-Apr)</td>
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<td>8:30 a.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
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<td>E-20-R-T Summer</td>
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<td>PEAK</td>
<td>$ 0.25492</td>
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<td>PART-PEAK</td>
<td>$ 0.09303</td>
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<td>OFF-PEAK</td>
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<td>$ 0.08403</td>
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<td>$ 1.50</td>
<td>$ 1.56</td>
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<td>Rates applicable to all usage throughout the season</td>
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</tbody>
</table>
## Silicon Valley Clean Energy

### Non-Residential Generation Rates and Generation Service Cost Comparison

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<thead>
<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates¹</th>
<th>SVCE Generation Service²</th>
<th>PG&amp;E Generation Service³</th>
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<tbody>
<tr>
<td><strong>AG-RA</strong></td>
<td><strong>Summer (May-Oct)</strong></td>
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<td>PEAK</td>
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<td>Group I 12:00 noon to 6:00 p.m. Monday, Tuesday, Wednesday Group II 12:00 noon to 6:00 p.m. Wednesday, Thursday, Friday</td>
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<td><strong>Winter (Nov-Apr)</strong></td>
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</table>
## Silicon Valley Clean Energy

Non-Residential Generation Rates and Generation Service Cost Comparison

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<td>$ 1.61</td>
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<td>Winter (Nov-Apr)</td>
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## Silicon Valley Clean Energy

### Non-Residential Generation Rates and Generation Service Cost Comparison

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<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates¹</th>
<th>SVCE Generation Service²</th>
<th>PG&amp;E Generation Service²</th>
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<tr>
<td><strong>AG-4-A</strong></td>
<td>Summer (May-Oct)</td>
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¹ SVCE Generation Rates are based on the current wholesale market price for energy.

² SVCE Generation Service includes the cost of delivering the energy to the customer's site.

³ PG&E Generation Service includes the cost of delivering the energy to the customer's site.
### Silicon Valley Clean Energy

#### Non-Residential Generation Rates and Generation Service Cost Comparison

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Time of Use</th>
<th>SVCE Generation Rates</th>
<th>SVCE Generation Service</th>
<th>PG&amp;E Generation Service</th>
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<td><strong>AG-4-C</strong></td>
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<td>$        4.11</td>
<td>$        4.11</td>
<td>$        4.28</td>
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<td><strong>Winter</strong> (Nov-Apr)</td>
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## Silicon Valley Clean Energy

### Non-Residential Generation Rates and Generation Service Cost Comparison

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<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates$^1$</th>
<th>SVCE Generation Service$^2$</th>
<th>PG&amp;E Generation Service$^2$</th>
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<td>$6.26$</td>
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<td><strong>Winter (Nov-Apr)</strong></td>
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<td>All day Saturday, Sunday, holidays</td>
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<tr>
<td>PART-PEAK</td>
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<td>All day Saturday, Sunday, holidays</td>
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</table>
## Silicon Valley Clean Energy
### Non-Residential Generation Rates and Generation Service Cost Comparison

<table>
<thead>
<tr>
<th>SVCE Rate Schedule</th>
<th>Time of Use Period</th>
<th>SVCE Generation Rates¹</th>
<th>SVCE Generation Service²</th>
<th>PG&amp;E Generation Service³</th>
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<td><strong>STOUS</strong></td>
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<tr>
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<tr>
<td>Winter (Nov-Apr)</td>
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<td>PART-PEAK</td>
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<td>8:30 a.m. to 12:00 noon AND 6:00 p.m. to 9:30 p.m. Monday through Friday (except holidays)</td>
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<td>$0.07612</td>
<td>9:30 p.m. to 8:30 a.m. Monday through Friday All Day Saturday, Sunday, and holidays</td>
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<tr>
<td>Winter (Nov-Apr)</td>
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<tr>
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## Silicon Valley Clean Energy

### Non-Residential Generation Rates and Generation Service Cost Comparison

<table>
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<tr>
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<th>SVCE Generation Service²</th>
<th>PG&amp;E Generation Service³</th>
<th>Notes</th>
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<tr>
<td><strong>STOUT</strong></td>
<td>Summer (May-Oct)</td>
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<td><strong>Winter</strong></td>
<td>(Nov-Apr)</td>
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<td><strong>LS-3, OL-1</strong></td>
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<td></td>
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<td>+ $0.00800</td>
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<td></td>
<td>Same as applicable rate, with $0.008/kWh adder for 100% Renewable energy</td>
</tr>
</tbody>
</table>

**DAYLIGHT SAVING TIME ADJUSTMENT:** The time periods shown above will begin and end one hour later for the period between the second Sunday in March and the first Sunday in April, and for the period between the last Sunday in October and the first Sunday in November.

**HOLIDAYS:** Holidays, for the purpose of this rate schedule, are New Year’s Day, President’s Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day and Christmas Day. The dates will be those on which holidays are legally observed.

¹ SVCE Generation Rates, without added PG&E fees, effective 8/1/2019

² SVCE Generation Service reflects our price for Generation, with added PG&E fees (PCIA and Franchise Fees), effective 8/1/2019

≥ PG&E Generation service rate effective 8/1/2019
Staff Report – Item 1e

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1e: Adopt Resolution to Authorize the Chief Executive Officer to Execute Master Agreements with NRG Power Marketing, LLC, Wellhead Power Exchange, LLC, and DTE Energy Trading, Inc. and to Amend Approved Master Agreement with TransAlta Energy Marketing (US) Inc.

Date: 8/14/2019

RECOMMENDATION
Adopt Resolution No. 2019-13 to authorize the Chief Executive Officer (“CEO”) to:


BACKGROUND
Silicon Valley Clean Energy Authority (“SVCE”) transacts for the majority of its power supply arrangements under the industry-standard Edison Electric Institute (“EEI”) master power purchase and sale agreement (“Master Agreement”). The Master Agreement is a widely used standard form agreement containing general terms and conditions for electric power transactions. The SVCE Board of Directors (“Board”) by resolution and/or minute action, has previously authorized the CEO to execute Master Agreements (once approved by the Board, an “Approved Master Agreement”) with multiple counterparties.

The attached resolution provides authority to enter into EEI Master Agreements with NRG, Wellhead, and DTE and amend the Approved Master Agreement with TransAlta. NRG, Wellhead, DTE, TransAlta and SVCE have agreed to certain terms and provisions as defined in the attached EEI Master Agreements and Collateral Annexes, which have been reviewed by SVCE’s energy counsel and are consistent with the terms approved by the Board under existing Master Agreements.

ANALYSIS & DISCUSSION
A Master Agreement does not itself obligate SVCE to execute transactions but rather enables parties to transact various types of energy and related services such as renewable energy resources to meet Renewable Portfolio Standards (RPS); carbon-free resources; system energy at fixed and/or index prices and resource adequacy capacity products. The Master Agreement between SVCE and each counterparty includes standard, boilerplate terms and conditions, with modifications negotiated by the parties via a “Cover Sheet” as well as certain global credit provisions. Enhancement of credit and/or collateral requirements are memorialized through the execution of a Collateral Annex. Energy transactions are made through competitive solicitations and memorialized by written “Confirmations” setting forth the specifics of the purchase such as term, product, volume, and price. Once executed by SVCE and the counterparty, a Confirmation becomes a “Transaction,” and is a binding obligation for the purchase of energy or other products.

Staff requests that the Board adopt the attached resolution authorizing the CEO to execute three new Master Agreements and amend an Approved Master Agreement to allow SVCE to transact among the largest possible pool of qualified, Master Agreement-enabled counterparties, leading to greater liquidity and more competitive prices and rates for SVCE’s customers.
NRG Master Agreement
NRG Energy, Inc. is an integrated power Fortune 500 company with ~ 30,000 MW of generation. The proposed Master Agreement is with NRG Power Marketing, LLC., the trading arm of NRG Energy, Inc. NRG is a long-standing supplier in California’s wholesale market of compliance products for resource adequacy and fixed-price, forward energy for the purposes of hedging.

Wellhead Master Agreement
Wellhead Power Exchange owns ~ 300 MW of generation in California and is part of the Dittmer Family small conglomerate of companies. The proposed Master Agreement is with Wellhead Power Exchange, LLC, a long-standing supplier for resource adequacy market compliance products.

DTE Master Agreement
DTE Energy, Inc. is a diversified Fortune 500 energy company involved in the development and management of energy related business and services nationwide. The proposed Master Agreement is with DTE Energy Trading Inc., the trading arm of DTE Energy, Inc. DTE is a long-standing participant in western energy markets and is a large supplier of PCC 2 bundled energy product.

TransAlta Master Agreement Amendment
TransAlta Corporation is a Canadian generation and wholesale marking company with ~8,200 MW of generation. The proposed amendment to the Approved Master Agreement is with TransAlta Energy Marketing (US) Inc., the trading arm of TransAlta Corporation. TransAlta is a long-standing supplier in California’s wholesale market of RPS and GHG-Free bundled compliance products and fixed-price, forward energy for the purposes of hedging. SVCE executed the Approved Master Agreement on August 9th, 2017.

The CEO requests authority to execute the Master Agreements and Amendment to the Approved Master Agreement as provided for in Attachment 2, which contains the proposed terms under the Cover Sheets and Collateral Annexes.

STRATEGIC PLAN
The execution of Approved Master Agreements will better enable Staff to meet its power supply procurement and cost management goals as provided for in SVCE’s Strategic Plan, Power Supply Goals 9, 10 and 11. Having more counterparties participate in SVCE’s energy, resource adequacy and RPS compliance product RFOs, provides more competitive pricing.

ALTERNATIVES
An alternative to the recommended resolution of executing Approved Master Agreements may include not approving Staff’s recommendation and limiting SVCE to transact with only Approved Master Agreement counterparties. This alternative would be difficult to implement and may result in less competitive offers from fewer Approved Master Agreement counterparties.

FISCAL IMPACT
Adoption of the recommended resolution does not in itself create a fiscal impact.

ATTACHMENTS
1. Resolution 2019-13 of the Board of Directors of Silicon Valley Clean Energy Authority to Authorize the Chief Executive Officer to Execute Master Agreements with NRG Power Marketing, LLC, Wellhead Power Exchange, LLC, and DTE Energy Trading, Inc. and to Amend An Approved Master Agreement with TransAlta Energy Marketing (US) Inc.
2. NRG, Wellhead, DTE, and TransAlta EEI Master Agreements and Collateral Annexes
RESOLUTION NO. 2019-13

RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO EXECUTE MASTER AGREEMENTS WITH NRG POWER MARKETING, LLC, WELLHEAD POWER EXCHANGE, LLC, AND DTE ENERGY TRADING, INC. AND TO AMEND APPROVED MASTER AGREEMENT WITH TRANSALTA ENERGY MARKETING (US) INC.

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

WHEREAS, the Silicon Valley Clean Energy Authority ("Silicon Valley Clean Energy") was formed on March 31, 2016;

WHEREAS, Silicon Valley Clean Energy launched service under a community choice aggregation program on April 3, 2017;

WHEREAS, to provide such service, Silicon Valley Clean Energy purchases energy, renewable energy, carbon free energy, resource adequacy and related products and services (the “Product”) from energy generating sources that are cleaner and have a higher percentage of renewable energy than that provided by the incumbent utility and at competitive prices;

WHEREAS, the EEI Master Agreement ("Master Agreement") is an industry standard framework agreement used for the purchase of Product that establishes certain terms and conditions for the contractual relationship between an energy purchaser and energy supplier, but which does not require a purchaser to purchase or a supplier to supply the Product without further written agreements executed in accordance with the terms and conditions of a Confirmation ("Confirmations");

WHEREAS, the following Suppliers are currently parties to an Approved Master Agreement:

3 Phases Renewables Inc.
Calpine Energy Services, L.P.
Direct Energy Business Marketing, LLC
Exelon Generation Company, LLC
Morgan Stanley Capital Group, Inc.
NextEra Energy Marketing, LLC
Pacific Gas and Electric Company
Powerex Corp.
Regenerate Power LLC
Shell Energy North America (US), L.P.
Southern California Edison Company

TransAlta Energy Marketing (US) Inc.

WHEREAS, the Board continues to reserve to itself the authority to authorize new Approved Master Agreements; and

WHEREAS, Silicon Valley Clean Energy desires to enter into three Master Agreements with NRG Power Marketing, LLC, Wellhead Power Exchange, LLC, and DTE Energy Trading, Inc. and to amend the Approved Master Agreement with TransAlta Energy Marketing (US) Inc.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to:

1. Execute Master Agreements with NRG Power Marketing, LLC, Wellhead Power Exchange, LLC, and DTE Energy Trading, Inc. with terms consistent with the form of agreement presented to the Board of Directors, which following such execution by both parties, shall become an Approved Master Agreement, and

2. Amend the current Approved Master Agreement with TransAlta Energy Marketing (US) Inc. with terms consistent with the form agreement presented to the Board of Directors.

ADOPTED AND APPROVED this 14th day of August, 2019 by the following vote:

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<td>Director Smith</td>
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ATTEST:

Chair

Secretary

Resolution No. 2019-13
MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This Master Power Purchase and Sale Agreement ("Master Agreement") is made as of the following date: May __, 2019 ("Effective Date"). The Master Agreement, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement." The Parties to this Master Agreement are the following:

Name "NRG Power Marketing LLC, a Delaware limited liability company" ("NRG" or "Party A")

All Notices:
Street: 804 Carnegie Center
City: Princeton, NJ Zip: 08540
Attn: Contract Administration
Phone: 609.524.4543
Facsimile: 609.524.4540
Email: ContractAdmin@nrg.com
Duns: [redacted]
Federal Tax ID Number: [redacted]

Invoices:
Attn: Accounting – Physical Power
Phone: 609.524.4980
Email: PhysicalSettlements@nrg.com

Scheduling:
Attn: Scheduling Desk
Phone: 609.524.4623 or 5391
Facsimile: 609.524.4540

ERCOT:
Attn: Day Ahead Scheduling
Phone: 713.537.3710
Facsimile: 609.524.4540

Payments:
Attn: Accounting – Physical Power
Phone: 609.524.4980
Email: PhysicalSettlements@nrg.com

Wire Transfer:
Bank Name: Bank of New York Mellon
Bank ABA: [redacted]
Account Name: [redacted]
Account Number: [redacted]

Name: Silicon Valley Clean Energy Authority, a California joint powers authority ("SVCEA" or "Party B")

All Notices:
Street: 333 W. El Camino Real, Suite 290
City: Sunnyvale, California Zip: 94087
Attn: Girish Balachandran, CEO
Phone: (408) 721-5301
Email girish@svcleanenergy.org
Duns: [redacted]
Federal Tax ID Number: [redacted]

Invoices:
Attn: Power Supply Group
Phone: (408) 721-5301
Email SVCEpowersettlements@svcleanenergy.org

Scheduling:
Attn: ZGlobal
Phone: (916) 221-4327
Email eric@zglobal.biz

Payments:
Attn: Finance Group
Phone: (408) 721-5301
Email SVCEpowersettlements@svcleanenergy.org

Wire Transfer:
BNK: River City Bank
ABA: [redacted]
ACCT: [redacted]
Proposed Execution Version

Credit and Collections:
Attn: Credit Risk Manager
Phone: 609.524.4573
Facsimile: 609.524.4779
Email: NRGCollateral@nrg.com

With additional Notices of an Event of Default or Potential Event of Default to:
Attn: Sr. Counsel – Commercial Operations
Phone: 609.524.4500
Facsimile: 609.524.4501

Confirmations:
Attn: Confirmation Specialist - Power
Phone: 609.524.4870
Facsimile: 609.524.4779
Email: Confirmations@nrg.com

Credit and Collections:
Attn: Finance Group
Phone: (408) 721-5301
Email: SVCEpowersettlements@svcleanenergy.org

With additional Notices of an Event of Default or Potential Event of Default to:
Hall Energy Law PC
Attn: Stephen Hall
Phone: (503) 477-9354
Email: steve@hallenergylaw.com

Confirmations:
Attn: Thomas Messier
Phone:
Email: thomas.messier@svcleanenergy.org
Proposed Execution Version

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff: FERC Electric Rate Schedule No. 1 Dated: 9/1/1997 Docket Number: ER97-4281
Party B Tariff: N/A

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

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

Article Five
Events of Default; Remedies ☑ Party A: NRG Power Marketing LLC Cross Default Amount
☑ Other Entity: NRG Energy, Inc. Cross Default Amount

Cross Default for Party B:
☑ Party B: SVCEA Cross Default Amount

Other Entity: Cross Default Amount

5.6 Closeout Setoff
☑ Option A (Applicable if no other selection is made.)

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

Option C

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

(a) Financial Information:

Option A
Option B Specify: ____________
☑ Option C Specify: ____________

(1) The annual report containing audited consolidated financial statements for such fiscal year of Party B as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at https://www.svcleanenergy.org, and (2) quarterly unaudited financial statements for Party B as soon as practicable upon demand, but in no event later than 90 days after the applicable quarter. Should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay
shall not be an Event of Default so long as the relevant entity
diligently pursues the preparation, certification and delivery of
the statements. The first quarterly unaudited statement will be
provided within 90 days after the fiscal quarter during which
Party A begins deliveries under a Transaction.

(b) Credit Assurances:

(continued)

(c) Collateral Threshold:

Party B Independent Amount:

Party B Rounding Amount:

(d) Downgrade Event:

If applicable, complete the following:

(e) Guarantor for Party B: N/A

Guarantee Amount: N/A

8.2 Party B Credit Protection:

(a) Financial Information:

☑ Option B   Specify: NRG Energy, Inc.

Option C   Specify: ________________

(b) Credit Assurances:

(c) Collateral Threshold:
If applicable, complete the following:

Party A Independent Amount: 

Party A Rounding Amount: 

(d) Downgrade Event:

If applicable, complete the following:

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

- Other:
  Specify:

(e) Guarantor for Party A: NRG Energy, Inc.

Guarantee Amount: 

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**Article 10**

Confidentiality

- Confidentiality Applicable

If not checked, inapplicable.

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**Schedule M**

- Party A is a Governmental Entity or Public Power System

- Party B is a Governmental Entity or Public Power System

  Add Section 3.6. If not checked, inapplicable

  Add Section 8.4. If not checked, inapplicable
Other Changes:

1. Section 1.1 is amended by adding the following sentence at the end of the definition of “Affiliate”:

   “Notwithstanding the foregoing, the Parties hereby agree and acknowledge that with respect to Party B, the public entities designated as members or participants under the Joint Powers Agreement creating Party B shall not constitute or otherwise be deemed an “Affiliate” for the purposes of this Master Agreement or any Confirmation executed in connection therewith.”

2. In the fourth line of Section 1.3 Bankrupt after the words “commenced against it” the following parenthetical is added, “(which is not dismissed within 30 days”).

3. Section 1.4 is amended by deleting the first sentence and replacing it to read as follows: “Business Day” means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday or a Federal Reserve Holiday.

4. Section 1.12 Credit Rating is amended by deleting the word “issues” in the fourth line of the Section and replacing it with the word “issuer”. 

5. Section 1.23 shall be amended by inserting in the thirteenth line of this Subsection before the phrase “foregoing factors” the word “two.”

6. Section 1.24 is amended by adding before the period at the end thereof the following: “in accordance with Section 5.2”.

7. A new Section 1.26A is added as follows:

   “1.26A “Joint Powers Agreement” means the Joint Powers Agreement, effective as of March 31, 2016, as amended, providing for the formation of Party B, as such agreement may be further amended or amended and restated.”

8. Section 1.27 Letters of Credit is amended by (1) deleting the phrase “or a foreign bank with a U.S. branch” and replacing it with the phrase “or a U.S. branch of a foreign bank” and (2) replacing “transferable” with “nontransferable”.

9. Section 1.46 is deleted in its entirety and replaced with the following: “[Reserved.]”.

10. In Section 1.50 Recording, the term “Section 2.4” shall be replaced with “Section 2.5”.

11. In Section 1.51 Replacement Price, (1) the phrase “for delivery” is added immediately before the phrase “at the Delivery Point” in the second line and (2) the phrase “at Buyer's option” is deleted from the fifth line and replaced with the phrase “absent a purchase”.

12. Section 1.52 shall be amended by (i) deleting the words “Rating” and “Group” from the first line and replacing with “Financial Services LLC” and (ii) by replacing the words in the parenthetical with “a subsidiary of McGraw-Hill Companies, Inc.”

13. In Section 1.53 Sales Price, (1) the phrase “at the Delivery Point” is deleted from the second line, and (2) the phrase “at Seller’s option” is deleted from the fifth line and replaced with the phrase “absent a sale”, and (3) inserting after the word “liability” in the ninth line the following: “provided, further, if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by the Buyer, the Sales Price with respect to such unsold Product shall be deemed equal to zero (0).”
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<tr>
<td>14</td>
<td>Section 1.56 is amended by deleting the words “pursuant to Section 5.2” and by adding before the period at the end thereof the following: “, as determined in accordance with Section 5.2.”</td>
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<td>15</td>
<td>Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to”.</td>
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<td>16</td>
<td>In Section 2.1, delete the first sentence in its entirety and replace with the following: “A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”</td>
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<td>17</td>
<td>In Section 2.1, the last sentence is deleted in its entirety and replaced with the following:</td>
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<td>“Each Party agrees not to contest, or assert any defense to, the validity or enforceability of the Transaction entered into in accordance with this Master Agreement based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction; provided, however, Party A acknowledges that no employee of Party B may amend or otherwise materially modify this Master Agreement or a Transaction, or enter into a new Transaction, without the approval of the board of Party B, which may be granted on a prospective basis, and that evidence of such approval, including a certified incumbency setting forth the name and signatures of employees of Party B with authority to act on behalf of Party B, will be provided pursuant to Section 10.13.”</td>
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<td>Section 2.2 is amended by deleting the text “accepted in accordance with Section 2.3” from the second sentence and is further revised by adding the following to the end of that Section:</td>
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<td>“Party A and Party B agree that from and after the Effective Date, all new Transactions with respect to the purchase and sale of any Product shall be made or deemed to be made pursuant to this Master Agreement (unless otherwise specifically agreed in writing).”</td>
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<td>19</td>
<td>Section 2.3 is hereby deleted in its entirety and replaced with the following:</td>
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<td>2.3 “No Oral Agreements or Modifications. Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Transactions may not be orally amended or modified.”</td>
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<td>20</td>
<td>In Section 2.4 Additional Confirmation Terms, delete the words “either orally or” in the seventh line.</td>
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<td>21</td>
<td>Section 2.5 is hereby deleted in its entirety and replaced with the following:</td>
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<td>“2.5 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording (“Recording”) of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence and secured from improper access; provided, however, that both Parties acknowledge and agree that any such Recording may not be submitted as evidence in any proceeding or action relating to this Agreement. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees.”</td>
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<td>Section 3.2 Transmission and Scheduling is amended by adding the following text to the end of the Section:</td>
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<td>“Product deliveries shall be scheduled in accordance with the then-current applicable tariffs, protocols, operating procedures and scheduling practices for the relevant region.”</td>
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<td>23</td>
<td>In Section 5.1(a) change “three (3) Business Days” to “five (5) Business Days”.</td>
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24. In Section 5.1(g), delete the phrase “or becoming capable at such time of being declared,” on the eighth line of the Section, and add the following at the end of the Section:

“provided, however, that no default or event of default shall be deemed to have occurred under this Section 5.1(g) to the extent that any applicable cure period or grace period is available;”

25. In Section 5.1(h)(v) - “Events of Default” add “made in connection with this Agreement” after “any guaranty”.

26. Section 5.1 is further amended by replacing the period at the end of subsection (h) with a semicolon, and adding new subsections which read as follows:

“(i) a representation or warranty with respect to the Defaulting Party’s financial statement that is false or misleading if such false or misleading statement is not be remedied within five (5) Business Days after written notice; or”

“(j) revocation or suspension by the Federal Energy Regulatory Commission of Party A’s authorization to make sales at market-based rates, and Party A is unable to reinstate such authorization within ninety (90) days; and”

“(k) A Party or its Guarantor suffering or being the subject of a default, event of default, termination event, breach or other similar condition or event (howsoever expressed) that has not been remedied within the applicable grace periods under any other agreement or instrument (including, without limitation, commodity and financial derivative agreements or transactions) between a Party or one of its Affiliates and the other Party or one of its Affiliates, where the result of such event has been the termination and liquidation of transactions and the acceleration of amounts due thereunder.”

27. Section 5.2 Declaration of an Early Termination Date and Calculation of Settlement Amounts is amended by (i) deleting the following phrase from the last line: “as soon thereafter as is reasonably practicable” and (ii) adding the following to the end of that provision:

“then each such Transaction shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below). The Gains and Losses for each Terminated Transaction shall be determined by the Non-Defaulting Party calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. In making such calculation, the Non-Defaulting Party may reference information supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include dealers, brokers and information vendors, including, without limitation, Intercontinental Exchange, Inc. If the Non-Defaulting Party’s calculation of a Settlement Amount results in an amount that would be due to the Defaulting Party (i.e. the Defaulting Party was in-the-money), then the Settlement Amount shall be deemed to be zero dollars ($0.00).”

28. Section 5.3 shall be amended by adding the phrase “plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security then in the possession of the Defaulting Party or its agent pursuant to Article 8,” after the first use of the phrase “due to the Non-Defaulting Party” in the sixth line.

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

30. Section 7.1 shall be amended by:

(i) adding “SET FORTH IN THIS AGREEMENT” after “INDEMNITY PROVISION” and before
“OR OTHERWISE,” in the fifth sentence;

(ii) adding in the nineteenth line the words "PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT EXPRESSLY ALLOWING FOR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 AND 5.3." immediately after the words “ANY INDEMNITY PROVISIONS SET FORTH IN THIS AGREEMENT OR OTHERWISE”; and

(iii) adding at the end of the last sentence the words “AND ARE NOT PENALTIES.”

31. In Sections 8.1(b) and 8.2(b), change “three (3) Business Days” to “five (5) Business Days”.

32. In Sections 8.1(d) and 8.2(d) on line 5, change “three (3) Business Days” to “five (5) Business Days” and before the comma in line five, add “or fails to maintain such Performance Assurance or guaranty or other credit assurance for so long as the Downgrade Event is continuing, and does not restore such Performance Assurance within five (5) Business Days of receipt of notice”.

33. Section 8.2(a) Financial Information Option B is amended to add after the phrase “quarterly report containing unaudited consolidated financial statements for such fiscal quarter for the party(s) specified on the Cover Sheet” the text “,” provided however, for the purposes of this (i) and (ii), if such financial statements are publicly available electronically, then Party A shall be deemed to have met this requirement”.

34. In Section 8.2(b) Credit Assurances (1) add in the fourth line after the words “in a commercially reasonable manner” the text, “which amount shall not exceed 100% of the Termination Payment that would be due Party B as if Party A was the Defaulting Party and an Early Termination Date had been designated” and (2) add in the seventh line after the words “acceptable to Party B” the text, “acting reasonably”.

35. In Section 8.2(d) Downgrade Event (1) add in the third line after the words “in a commercially reasonable manner” the text, “which amount shall not exceed 100% of the Termination Payment that would be due Party B as if Party A was the Defaulting Party and an Early Termination Date had been designated” and (2) add after the phrase “or other credit assurance acceptable to Party B within three (3) Business Days of receipt of notice” the text, “and/or fails to maintain such Performance Assurance or guaranty or other credit assurance for so long as the Downgrade Event is continuing.”

36. In Section 10.2, delete the phrase “or Potential Event of Default” from Section 10.2(vii).

37. After Section 10.2(xii) add the following:

“(xiii) each Transaction that is not executed or traded on a trading facility, as defined in the Commodity Exchange Act, is subject to individual negotiation by the Parties;

(xiv) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments”;

(xv) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments”; and

(xvi) each Party’s rights under Section 5.2, Declaration of an Early Termination Date and Calculation of Settlement Amounts, and Section 5.3, Net Out of Settlement Amounts constitute a “contractual right to liquidate” Transactions.
(xvii) it is an “eligible commercial entity” within the meaning of Section 1a (17) of the Commodity Exchange Act, as amended by the Commodity Futures Modernization Act of 2000 (the “Commodity Exchange Act”);

(xviii) it is an “eligible contract participant” within the meaning of Section 1a (18) of the Commodity Exchange Act.”

38. Section 10.2(ix) shall be deleted in its entirety and replaced with the following:

“it is a “forward contract merchant” within the meaning of the Title 11 of the United States Code, as amended (the “Bankruptcy Code”), all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute a “settlement payment” within the meaning of the Bankruptcy Code, all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute a “margin payment” within the meaning of the Bankruptcy Codes, each Party shall have the “contractual right” to terminate, liquidate, accelerate, or offset the transaction as a “master netting agreement participant” within the meaning of the Bankruptcy Codes, electricity delivered hereunder constitutes a “good” under Section 503(b)(9) of the Bankruptcy Code, and the Parties are entities entitled to the rights under, and protections afforded by, Sections 362, 546, 553, 556, 560, 561 and 562 of the Bankruptcy Code.”

39. In Section 10.4 Indemnity

(1) add in the last sentence after “hold harmless the other Party” the text “from any liability”; and

(2) add after the last sentence the text, “Neither Party shall be liable with respect to any Claim to the extent that such Claim resulted from the negligence, willful misconduct or bad faith of the indemnified Party.”

40. In Section 10.5 Assignment

Delete the words from the beginning of clause (ii) through the words prior to “provided, however” and replace them with:

“(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party or the Guarantor, if any, for such Party, or (y) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any”

41. Section 10.6 shall be amended by deleting the sentence “EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.”;

and adding the following after the last line: “(a) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HEREBY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. (b) “EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS
The Parties intend for the waiver in clause (a) above to be enforced to the fullest extent permitted under applicable law as in effect from time to time. To the extent that the waiver in clause (a) above is not enforceable at the time that any action or proceeding is filed in a court of the State of California by or against any Party in connection with any of the transactions contemplated by this Agreement, then (i) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, provided that at the option of any Party, any such issues pertaining to a “provisional remedy” as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and (ii) the Parties shall share equally all fees and expenses of any referee appointed in such action or proceeding.”

42. In Section 10.6 change “NEW YORK” to “CALIFORNIA”

43. In Section 10.7 Notices, the phrase “or the exercise of an option” is added immediately after the phrase “(other than scheduling requests)” and the third and fourth sentences shall be deleted and replaced with the following: “Unless otherwise specified herein, notice by facsimile or hand delivery shall be considered received at the close of business on the day actually received, if received during business hours on a Business Day, and notice by overnight United States mail or courier shall be considered received on the next Business Day after it was sent.”

44. Section 10.8 shall be amended by:

(1) adding at the end of the second to last sentence: “and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11 (iv) Waiver of Jury Trial provisions, if applicable, (v) the obligation of either Party to make payments hereunder, (vi) Section 10.6 (vii) Section 10.13 and (viii) section 10.4 shall also survive the termination of the Agreement or any Transaction.”; and

(2) adding the following to the end thereof: “This Master Agreement and any Confirmation hereunder may be executed electronically and in counterparts, each of which will be enforceable against the Parties actually executing such counterparts, and all of which together will constitute one instrument. Each Party to this Master Agreement agrees to use electronic signatures. Delivery of an executed signature page of this Master Agreement or Confirmation by electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.”

45. In section 10.9 insert the words “copies of” after the word “examine” in line 2.

46. Section 10.10 shall be amended by adding the following after the last sentence of Section 10.10:

“Each Party further agrees that, for purposes of this Agreement, the other Party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort.”

47. Section 10.11, shall be amended by adding the following:

(i) the phrase “or the completed Cover Sheet to this Master Agreement” immediately before the
phrase “to a third party” in line three;

(ii) the phrase “, or any such representatives of a Party’s Affiliates,” immediately after the phrase “counsel, accountants, or advisors” in line four;

(iii) in the seventh line thereof, between the word “proceeding” and the semi-colon, which immediately follows, the words “applicable to such Party or any of its Affiliates”;

(iv) an additional sentence at the end of Section 10.11: “The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index.”; and

(v) the following at the end of the last sentence: “Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.). Party B acknowledges that Party A may submit information to Party B that the other party considers confidential, proprietary, or trade secret information pursuant to the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act (Government Code Sections 6254 and 6255). Party A acknowledges that Party B may submit to Party A information that Party B considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act (Government Code sections 6254 and 6255). In order to designate information as confidential, the disclosing party must clearly stamp and identify the specific portion of the material designated with the word “Confidential”. The parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement (“Requestor”) for production, inspection and/or copying of information designated by a Party as confidential information (such designated information, the “Confidential Information” and the disclosing Party, the “Disclosing Party”), the Party receiving such request (the “Receiving Party”) as soon as practical, shall notify the Disclosing Party that such request has been made as specified in the Cover Sheet. The Disclosing Party shall be solely responsible for taking at its sole expense whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor’s demand and is not required to defend against it.”

48. The following shall be added as a new Section 10.12:

“10.12 Standard of Review/Modifications.

Absent the prior mutual written agreement of all parties to the contrary, the standard of review for any proposed changes to the rates, terms, and/or conditions of service of this Agreement or any Transaction entered into thereunder, whether proposed by a Party, a non-party or FERC acting sua sponte, shall be the Mobile Sierra “public interest” standard of review set forth in Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County, Nos. 06-1457, 128 S.Ct. 2733 (2008) and consistent with the order of the Supreme Court in NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission et al. No. 08-674, 130 S.Ct. 693 (2010) (“NRG Order”). As to all other persons, the Parties intend and agree that the same standard applies, to the maximum degree permitted under the NRG Order.

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

49. The following shall be added as a new Section 10.13:

“Party B’s Deliveries. Party B shall provide to Party A a certificate, dated as of the Effective Date and signed by an authorized signatory of Party B, certifying as to the completeness and correctness of attached copies of (i) the deliveries of Party B under Section 3.4, and (ii) the incumbency and signatures of the signatories of Party B executing this Master Agreement and any Confirmations executed in connection herewith, and setting forth the name and signatures of employees of Party B with authority to act on behalf of Party B.”

50. The following shall be added as a new Section 10.14:

“Party A’s Deliveries. Party A shall provide to Party B (i) a certificate of good standing issued by the Delaware Secretary of State as of a recent date, (ii) resolutions of the managers, members, or other governing body, as applicable, of Party A approving the execution, delivery and performance of this Master Agreement and any Confirmations executed in connection therewith, and (iii) the incumbency and signatures of the signatories of Party A executing this Master Agreement and any Confirmations executed in connection herewith.”

51. The following shall be added as a new Section 10.15:

“Physical Transactions. The Parties understand and agree that the Transactions under this Agreement are physical transactions for deferred delivery, and that the Parties contemplate making or taking physical delivery of electric energy. Party B is a commercial entity engaged in the business of delivering electric energy to its retail load and routinely makes or takes delivery of electric energy in order to provide service to its retail electric customers.”

52. The following new Section shall be added as Section 10.16:

“Imaged Agreement. Any original executed Agreement, Confirmation or other related document may be photocopied and stored on computer tapes and disks (the “Imaged Agreement”). The Imaged Agreement, if introduced as evidenced on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.”
Proposed Execution Version

53. The following new Section shall be added as Section 10.17:

“Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction.

Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Price Source specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from leading dealers of the highest credit standing which satisfy all the criteria that the Seller applies generally at the time in deciding to offer or to make an extension of credit. Notwithstanding the foregoing and subject to time limitations set forth in Sub-Section (ii) below, if the Parties have determined a Floating Price pursuant to this Sub-Section (i) and at a later date the responsible Price Source announces or publishes the relevant Floating Price, then such Floating Price shall be treated as a corrected price pursuant to Sub-Section (ii) below.”

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

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

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

“Market Disruption Event” means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“Price Source” means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.

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

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

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

Corrections to Published Prices. For purposes of determining a Floating Price for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three (3) years of the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable
conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

Calculation of Floating Price. For the purposes of the calculation of a Floating Price, all numbers shall be rounded to four (4) decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th) decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.”

54. The following new Section shall be added as Section 10.18:

“Generally Accepted Accounting Principles. Any reference to “generally accepted accounting principles” shall mean, with respect to an entity and its financial statements, generally accepted accounting principles, consistently applied, adopted or used in the jurisdiction of the entity whose financial statements are being considered for the purposes of this Agreement.”

55. The following new Section shall be added as Section 10.19:

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

56. The following new Section shall be added as Section 10.20:

“10.20 Prior Agreements. Party A and Party B confirm that this Master Agreement shall supersede and replace all prior master power purchase and sale agreements between the parties hereto with respect to the subject matter hereof. Party A and Party B further agree that any transaction for the purchase or sale of electric energy, capacity or other related products which is in effect as of the Effective Date or which has delivery obligations that start after the Effective Date shall be governed by this Master Agreement.”

Schedule M

57. Paragraph A is amended by deleting the term “Act” and replacing it with the following:

““Act” means the Joint Exercise of Powers Act of California (Government Code Section 6500 et seq.).”

58. Section 3.4 of Schedule M is deleted in its entirety and replaced with the following addition to Article Three:

“Section 3.4 Party B Deliveries. As a condition to the obligations of Party A under this Agreement, Party B shall provide to Party A (i) copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Party B of this Master Agreement and (ii) the incumbency and signatures of the signatories of Party B executing this Master Agreement and any Confirmations executed in connection herewith.”

59. In the fourth item on the Cover Sheet with respect to Schedule M, replace the reference to “Section 8.6” with “Section 8.4”.

60. The Parties agree to add the following sentence at the end of Section 10.6 - Governing Law:

Part 2. SCHEDULE P

61. The following shall be added at the end of Schedule P:

“If the Parties agree to use a service level/product defined by reference to a different agreement, tariff, set of rules or protocols (herein, “agreement”) (e.g., the PJM Operating Agreement, the ERCOT Protocols, WSPP Agreement) for a particular Transaction, then, unless the Parties expressly state and agree that all the terms and conditions of such other agreement will apply, the Transaction shall be subject to all the terms of this Agreement except (1) all service level/product definitions, (2) the regional reliability requirements and guidelines, and (3) the specific definitions for excuses for performance, Force Majeure and Uncontrollable Forces shall have the meaning ascribed to them in such other agreement in effect on the date the Transaction was entered into; provided, however, that with respect to Transactions subject to the WSPP Agreement, the methodology for calculating the payments for failure to deliver or receive, under Section 4 hereof, shall be in accordance with Section 21.3 of the WSPP Agreement; provided, further that the “Accelerated Payment of Damages” addressed in Section 4 hereof shall continue to apply to such payments if such election is made on the Cover Sheet.”

62. The following definitions are hereby added to Schedule P:

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

“WSPP Agreement” means the WSPP Agreement as amended from time to time.
IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed in one or more counterparts (each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same agreement) as of the Effective Date. The Parties expressly acknowledge the validity of facsimile counterparts of the executed Master Agreement, if any, which may be transmitted in advance of, or in lieu of, executed original documents.

NRG POWER MARKETING LLC, a Delaware limited liability company

By: ______________________________
Name: ______________________________
Title: ______________________________

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

By: ______________________________
Name: ______________________________
Title: ______________________________

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

COVER SHEET

This Master Power Purchase and Sale Agreement ("Master Agreement") is made as of the following date: July 22, 2019 ("Effective Date"). The Master Agreement, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the “Agreement.” The Parties to this Master Agreement are the following:

Name: Wellhead Power Exchange, LLC ("WPX" or "Party A")

Name: Silicon Valley Clean Energy Authority, a California joint powers authority ("SVCEA" or "Party B")

All Notices:
Street: 650 Bercut Drive, Suite A
City: Sacramento, CA Zip: 95811
Attn: Contract Administration
Phone: (916) 447-5171
Facsimile: (916) 447-7602
Duns: [Redacted]
Federal Tax ID Number: [Redacted]

Invoices:
Attn: Accounting Department
Phone: (916) 447-5171
Email: settlements@wellhead.com

Scheduling:
Attn: 24 Hour Operations
Phone: (916) 447-5171
Email: 24hrdesk@wellhead.com

Payments:
Attn: Accounting Department
Phone: (916) 447-5171
Email: settlements@wellhead.com

Wire Transfer:
BNK: California Bank & Trust
ABA: [Redacted]
ACCT: [Redacted]

Credit and Collections:
Attn: Accounting Department
Phone: (916) 447-5171
Email: Accounting@wellhead.com

Confirmations:
Attn: Confirmation Coordinator
Phone: (916) 447-5171
Email: Settlements@wellhead.com

All Notices:
Street: 333 W. El Camino Real, Suite 290
City: Sunnyvale, California Zip: 94087
Attn: Girish Balachandran, CEO
Phone: (408) 721-5301
Email girish@svcleanenergy.org
Duns: [Redacted]
Federal Tax ID Number: [Redacted]

Invoices:
Attn: Power Supply Group
Phone: (408) 721-5301
Email: SVCEpowersettlements@svcleanenergy.org

Scheduling:
Attn: ZGlobal
Phone: (916) 221-4327
Email: eric@zglobal.biz

Payments:
Attn: Finance Group
Phone: (408) 721-5301
Email: SVCEpowersettlements@svcleanenergy.org

Wire Transfer:
BNK: River City Bank
ABA: [Redacted]
ACCT: [Redacted]

Credit and Collections:
Attn: Finance Group
Phone: (408) 721-5301
Email: SVCEpowersettlements@svcleanenergy.org
The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

<table>
<thead>
<tr>
<th>Article Two</th>
<th>[X] Optional provision in Section 2.4. If not checked, inapplicable.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article Four</td>
<td>[X] Accelerated Payment of Damages. If not checked, inapplicable.</td>
</tr>
<tr>
<td>Article Five</td>
<td>[X] Cross Default for Party A:</td>
</tr>
<tr>
<td>Events of Default; Remedies</td>
<td>[X] Party A: WPX Cross Default Amount: $___________</td>
</tr>
<tr>
<td></td>
<td>[] Other Entity:___________ Cross Default Amount $___________</td>
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<td>[X] Cross Default for Party B:</td>
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<td>[X] Party B: SVCEA Cross Default Amount $___________</td>
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<td>[] Other Entity:___________ Cross Default Amount $___________</td>
</tr>
<tr>
<td>5.6 Closeout Setoff</td>
<td>[X] Option A (Applicable if no other selection is made.)</td>
</tr>
<tr>
<td></td>
<td>[] Option B - Affiliates shall have the meaning set forth in the Agreement unless otherwise specified as follows: ____________</td>
</tr>
<tr>
<td></td>
<td>[] Option C (No Setoff)</td>
</tr>
</tbody>
</table>

| Article 8                  | 8.1 Party A Credit Protection:                                      |
| Credit and Collateral Requirements | (a) Financial Information:                                           |
|                             | [] Option A                                                          |
|                             | [] Option B Specify: ____________                                    |
|                             | [X] Option C Specify:                                                |
|                             | (1) The annual report containing audited consolidated financial statements for such fiscal year of Party B as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at https://www.svcleanenergy.org, and (2) quarterly unaudited financial statements for Party B for the first three quarters of its fiscal year as soon as practicable upon demand, but in no event
later than 90 days after the applicable quarter. Should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements. The first quarterly unaudited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction.

(b) Credit Assurances:

(c) Collateral Threshold:

If applicable, complete the following:

Party B Independent Amount: N/A
Party B Rounding Amount: N/A

(d) Downgrade Event:

If applicable, complete the following:

(e) Guarantor for Party B: N/A

Guarantee Amount: N/A

8.2 Party B Credit Protection:

(a) Financial Information:

[X] Option A
[ ] Option B Specify: ________________
[ ] Option C Specify: ________________

(b) Credit Assurances:
(c) Collateral Threshold:

If applicable, complete the following:

Party A Collateral Threshold: Not applicable.
Party A Independent Amount: Not Applicable
Party A Rounding Amount: Not Applicable

(d) Downgrade Event:

If applicable, complete the following:

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

- Other:
  Specify: ____________________________

(e) Guarantor for Party A: Not Applicable
Guarantee Amount: Not Applicable

Article 10

Confidentiality

[X] Confidentiality Applicable If not checked, inapplicable.

Schedule M

[ ] Party A is a Governmental Entity or Public Power System
[X] Party B is a Governmental Entity or Public Power System
[ ] Add Section 3.6. If not checked, inapplicable
[ ] Add Section 8.6. If not checked, inapplicable

Other Changes

This Master Power Purchase and Sale Agreement and the associated Collateral Annex incorporate, by reference, the changes published in the EEI Errata, Version 1.1, dated July 18, 2007.

ARTICLE ONE: GENERAL DEFINITIONS

The following definitions are hereby amended as follows:

1. Section 1.23 “Force Majeure” shall be amended by inserting in the thirteenth line of this Subsection before the phase “foregoing factors” the word “two.”

2. Section 1.24 “Gains” shall be amended by adding before the period at the end thereof the following: “in accordance with Section 5.2”.

3. Section 1.27 “Letter(s) of Credit” shall be amended by deleting in its entirety and replacing with the following:
“Letter(s) of Credit” shall mean an irrevocable, transferable, standby Letter of Credit, issued by a Qualified Institution, substantially in the form set forth in Schedule 1 [attached hereto/attached to Paragraph 10 to the Collateral Annex], with such changes to the terms in that form as the issuing bank may require and as may be acceptable to the beneficiary thereof in a form reasonably acceptable to the Party in whose favor the letter of credit is issued.

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

5. Section 1.52 “S&P” shall be amended by (i) deleting the words “Rating” and “Group” from the first line and replacing with “Financial Services LLC” and (ii) by replacing the words in the parenthetical with “a subsidiary of McGraw-Hill Companies, Inc.”

6. Section 1.53 “Sales Price” shall be amended by (i) deleting the phrase “at the Delivery Point” from the second line, and (ii) deleting the phrase in line 5 “at the Seller’s option” and replacing it with “absent a sale”, and (iii) inserting after the phrase “commercially reasonable manner” in the sixth line, the following phrase “; provided, however if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by Buyer, the Sales Price with respect to such Product shall be deemed equal to zero (0)”.

7. Section 1.56 “Settlement Amount” shall be amended by inserting a semicolon before the period at the end of the section and inserting the phrase “provided, however, that if a Non-Defaulting Party’s Gains exceed its Losses and Costs, the Settlement Amount shall be deemed to be zero” between the semicolon and the final period.

8. Section 1.60 “Transaction” shall be amended by inserting the words “in writing” immediately following the words “agreed to”.

9. The following definitions shall be added to ARTICLE ONE:

Section 1.26A “Joint Powers Agreement” means the Joint Powers Agreement, effective as of March 31, 2016, as amended, providing for the formation of Party B, as such agreement may be further amended or amended and restated.

Section 1.62 “Merger Event” means, with respect to a Party or its Guarantor, that such Party or its Guarantor consolidates or amalgamates with, or merges into or with, or transfers substantially all of its assets to another entity and (i) the resulting entity fails to assume all of the obligations of such Party hereunder or of such Party’s Guarantor under its guaranty; or (ii) the benefits of any credit support provided pursuant to Article 8, or any guaranty provided by such Party’s Guarantor, fail to extend to the performance by such resulting, surviving or transferee entity of its obligations hereunder or (iii) the resulting entity’s creditworthiness is materially weaker than that of such Party or its Guarantor immediately prior to such action.

Section 1.63 “Qualified Institution” means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, which is not the Pledgor (or a subsidiary of the Affiliate of the Pledgor) and which has assets of at least $10 Billion Dollars and a Credit Rating of at least “A-” by S&P, or “A3” by Moody’s.

ARTICLE TWO: TRANSACTION TERMS AND CONDITIONS

10. Section 2.1 Transactions shall be amended by deleting the first sentence in its entirety and replacing with the following:

“A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”

11. Section 2.3 Confirmation shall be amended by deleting in its entirety and replacing with the following:
“No Oral Agreements or Modifications. Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Transactions may not be orally amended or modified.”

12. Section 2.4 Additional Confirmation Terms shall be amended by deleting the words “either orally or” in the sixth line.

13. Section 2.5 Recording shall be amended by deleting it in its entirety.

ARTICLE FIVE: EVENTS OF DEFAULT; REMEDIES

14. Section 5.1(e) shall be amended by adding “, as modified by the Collateral Annex, if applicable” at the end of that subsection.

15. Section 5.1(f) shall be amended by deleting in its entirety and replacing with the following: “a Merger Event occurs with respect to such Party or its Guarantor;”

16. Section 5.1(g), shall be amended by deleting the phrase “or becoming capable at such time of being declared,” on the eighth line of the Section, and adding the following at the end of the Section: “provided, however, that no default or event of default shall be deemed to have occurred under this Section 5.1(g) to the extent that any applicable cure period or grace period is available under such agreements or instruments;”

17. Section 5.1(h)(v) “Events of Default” shall be amended by adding “made in connection with this Agreement” after “any guaranty”.

18. Section 5.1 Events of Default shall be further amended by replacing the period at the end of subsection (h) with a semicolon, and adding new subsections which read as follows:

“(i) a representation or warranty with respect to the Defaulting Party’s financial statement that is false or misleading if such false or misleading statement is not be remedied within five (5) Business Days after written notice; or”

“(j) revocation or suspension by the Federal Energy Regulatory Commission of Party A’s authorization to make sales at market-based rates, and Party A is unable to reinstate such authorization within ninety (90) days.”

19. Section 5.2 Declaration of an Early Termination Date and Calculation of Settlement Amounts shall be amended by deleting the following phrase from the last two lines: “under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable” and replacing it with the following:

“under applicable law on the Early Termination Date, then each such Transaction (individually, an “Excluded Transaction” and collectively, the “Excluded Transactions”) shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Excluded Transactions shall be calculated in accordance with Section 5.3 below. The Gains and Losses for each Terminated Transaction shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. In making such calculation, the Non-Defaulting Party may refer to information available to it internally or supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include dealers, brokers and information vendors, including, without limitation, Intercontinental Exchange, Inc. If the Non-Defaulting Party’s calculation of a Settlement Amount for a Terminated Transaction results in an amount that would be due to the Defaulting Party (i.e. the Defaulting Party was in-the-money), then the Settlement Amount shall be deemed to be zero dollars ($0.00).”

20. Section 5.3 Net Out of Settlement Amounts shall be amended by adding the phrase “plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security then in the possession of the Defaulting Party or its agent pursuant to Article Eight,” after the first use of the phrase “due to the Non-Defaulting Party” in the sixth line.
21. Section 5.4 Notice of Payment of Termination Payment shall be amended by inserting the phrase “but in no event more than fifteen (15) Business Days following the Early Termination Date,” after the phrase “liquidation,” in the second line.

ARTICLE SEVEN: LIMITATIONS

22. Section 7.1 Limitation of Remedies, Liability and Damages shall be amended by (i) adding “SET FORTH IN THIS AGREEMENT” after “INDEMNITY PROVISION” and before “OR OTHERWISE,” in the fifth sentence, (ii) deleting in the fifteenth and sixteenth lines (the beginning of the fifth sentence) the words, “UNLESS EXPRESSLY HEREBIN PROVIDED”, and (ii) adding in the nineteenth line the words: “‘PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT RELATING TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 AND 5.3.’” immediately after the words “ANY INDEMNITY PROVISION OR OTHERWISE”.

ARTICLE EIGHT: CREDIT AND COLLATERAL REQUIREMENTS

23. Sections 8.1(b), 8.1(c), 8.2(b) and 8.2(c) shall be amended by changing “three (3) Business Days” to “five (5) Business Days”.

24. Sections 8.1(d) and 8.2(d) “Downgrade Event” shall be amended by adding before the comma in line five “or fails to maintain such Performance Assurance or guaranty or other credit assurance for so long as the Downgrade Event is continuing”.

25. Section 8.1(f) is added as follows:

“(f) Notwithstanding anything in Sections 8.1(b) or 8.1(d) to the contrary, unless otherwise specified in a Confirmation, Party B shall not be required to provide Performance Assurance as of the effective date of a Transaction, and Party A shall only be entitled to request Performance Assurance under Sections 8.1(b) and 8.1(d) with respect to a Transaction if there has been a material adverse change in Party B’s creditworthiness since the effective date of the Transaction.”

26. Section 8.2(f) is added as follows:

“(f) Notwithstanding anything in Sections 8.2(b) or 8.2(d) to the contrary, unless otherwise specified in a Confirmation, Party A shall not be required to provide Performance Assurance as of the effective date of a Transaction, and Party B shall only be entitled to request Performance Assurance under Sections 8.2(b) and 8.2(d) with respect to a Transaction if there has been a material adverse change in Party A’s creditworthiness since the effective date of the Transaction.”

27. Section 8.5. UCC Waiver shall be added as follows:

“Section 8.5: Section 8 sets forth the entirety of the agreement of the Parties regarding credit, collateral and adequate assurances. Except as expressly set forth in the options elected by the Parties in respect of Sections 8.1 and 8.2, neither Party:

(a) has or will have any obligation to post margin, provide letters of credit, pay deposits, make any other prepayments or provide any other financial assurances, in any form whatsoever, or

(b) will have reasonable grounds for insecurity with respect to the creditworthiness of a Party that is complying with the relevant provisions of Section 8 of this Agreement;

and all implied rights relating to financial assurances arising from Section 2-609 of the Uniform Commercial Code or case law applying similar doctrines, are hereby waived.”
ARTICLE NINE: GOVERNMENTAL CHARGES

28. Section 9.1 Cooperation shall be amended by deleting it in its entirety.

29. Section 9.2 Governmental Charges shall be amended by deleting the Section number preceding the section.

ARTICLE TEN: MISCELLANEOUS

30. Section 10.2 Representations and Warranties shall be amended by deleting Section (ix) in its entirety and replacing with the following:

“(ix) (1) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code; (2) it is an “eligible contract participant” as such term is defined in the Commodity Exchange Act, as amended 7 U.S.C. § 1 (a)(12) or it is an “eligible commercial entity” as such term is defined in the Commodity Exchange Act, as amended 7 U.S.C. § 1 (a)(11);”

31. Section 10.2 is further amended by replacing the word “and” in the following section (x) in the third line with a comma and adding the following at the end of that section:

“and it intends to physically settle such Transaction such that if the “commodity option” (as defined in the Commodity Exchange Act, as amended) associated with such Transaction is exercised, the option would result in the sale of an “exempt commodity” (as such term is defined in Section 1a(20) of the Commodity Exchange Act, as amended), for immediate or deferred delivery.”

32. Section 10.5 Assignment shall be amended by deleting clause (ii) and clause (iii) through the words prior to “provided, however” and replacing them with:

“(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party or the Guarantor, if any, for such Party, or (y) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any.”

33. Section 10.6 Governing Law shall be amended by replacing “New York” with “California”.

34. Section 10.8 General shall be amended by adding the following to the end thereof:

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

35. Section 10.10 Forward Contract shall be amended by adding the following to the end thereof:

“The Parties acknowledge and agree that (1) any Transaction with a maturity date more than two days after the date the Transaction is entered into constitutes a “forward contract” within the meaning of the United States Bankruptcy Code (the “Bankruptcy Code”); (ii) certain Transactions may constitute “swap agreements” within the meaning of the Bankruptcy Code; (iii) all payments made or to be made by one Party to the other Party pursuant to this Agreement are “settlement payment” within the meaning of the Bankruptcy Code; and (iv) all transfers of “Performance Assurance” by one Party to the other Party under this Agreement are “margin payments” within the meaning of the Bankruptcy Code. Each Party further agrees that, for purposes of this Agreement, the other Party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each Party agrees to waive and not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a
debtor. In any such proceeding, each Party further agrees to waive the right to assert that the other Party is a provider of last resort.”

36. Section 10.11 Confidentiality shall be amended by adding:

(i) the phrase “or the completed Cover Sheet to this Master Agreement” immediately before the phrase “to a third party” in line three;

(ii) the phrase “,or any such representatives of a Party’s Affiliates,” immediately after the phrase “counsel, accountants, or advisors” in line four;

(iii) in the seventh line thereof, between the word “proceeding” and the semi-colon, which immediately follows, add the words “applicable to such Party or any of its Affiliates”;

(iv) an additional sentence at the end of Section 10.11: “The Parties agree and acknowledge that nothing in this Section 10.11 prohibits a Party from disclosing any one or more of the commercial terms of a Transaction (other than the name of the other Party unless otherwise agreed to in writing by the Parties) to any industry price source for the purpose of aggregating and reporting such information in the form of a published energy price index.” and

(v) the following at the end of the last sentence: “Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.). Party B acknowledges that Party A may submit information to Party B that the other party considers confidential, proprietary, or trade secret information pursuant to the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act (Government Code Sections 6254 and 6255). Party A acknowledges that Party B may submit to Party A information that Party B considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act (Government Code sections 6254 and 6255). In order to designate information as confidential, the disclosing party must clearly stamp and identify the specific portion of the material designated with the word “Confidential”. The parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement ("Requestor") for production, inspection and/or copying of information designated by a Party as confidential information (such designated information, the “Confidential Information” and the disclosing Party, the “Disclosing Party”), the party receiving such request (the “Receiving Party”) as soon as practical, shall notify the Disclosing Party that such request has been made as specified in the Cover Sheet. The Disclosing Party shall be solely responsible for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor’s demand and is not required to defend against it.”; and

(vi) an additional paragraph at the end of Section 10.11: “To the extent any information provided by the Parties pursuant to Article 8.1(a) and Article 8.2(a) of this Agreement is not in the public domain, it will be deemed confidential information subject to the non-disclosure obligations in this Section 10.11.”

37. The following Sub-Sections shall be added to ARTICLE TEN:

Section 10.12 “No Recourse Against Constituent Members of Party B. Party A hereby acknowledges and agrees that Party B is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its members. Party B shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement and Seller agrees that it shall have no rights and shall not make any claim, take any actions or assert any remedies against any of Party B’s members in connection with this Agreement or any of the Transactions.”

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Master Power Purchase and Sale Agreement - Wellhead
Section 10.13 “Imaged Agreement. Any original executed Agreement, Confirmation or other related document may be photocopied and stored on computer tapes and disks (the “Imaged Agreement”). The Imaged Agreement, if introduced as evidenced on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.”

Section 10.14 “FERC Standard of Review; Certain Covenants and Waivers.

(i) Absent the agreement of all Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in subsection (b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting sua sponte, shall solely be the “public interest” application of the “just and reasonable” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the “Mobile-Sierra Doctrine”), as the Mobile-Sierra Doctrine has been clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish 554 U.S. 527 (2008).

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

Section 10.15 “Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction:

(i) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from dealers of the highest credit standing which satisfy all the criteria that the Seller applies generally at the time in deciding to offer or to make an extension of credit. Notwithstanding the foregoing and subject to time limitations set forth in Sub-Section (ii) below, if the Parties have determined a Floating Price pursuant to this Sub-Section (i) and at a later date the responsible Price Source announces or publishes the relevant Floating Price, then such Floating Price shall be treated as a corrected price pursuant to Sub-Section (ii) below.”

“Determination Period” means each calendar month, a part or all of which, is within the Delivery Period of a Transaction.
“Exchange” means, in respect of a Transaction, the exchange or principal trading market specified in the relevant Transaction.

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

“Market Disruption Event” means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“Price Source” means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.

“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

(ii) Corrections to Published Prices. For purposes of determining a Floating Price for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within two (2) years of the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

(iii) Calculation of Floating Price. For purposes of calculating a Floating Price, all numbers shall be rounded to three (3) decimal places. If the fourth (4th) decimal number is five (5) or greater, then the third (3rd) decimal number shall be increased by one (1), and if the fourth (4th) decimal number is less than five (5), then the third (3rd) decimal number shall remain unchanged.”

Section 10.16 “Party A’s Deliveries. Upon request, Party A shall provide to Party B (i) a certificate of good standing issued by the Delaware Secretary of State as of a recent date, and (ii) resolutions of the managers, members, or other governing body, as applicable, of Party A approving the execution, delivery and performance of this Master Agreement and any Confirmations executed in connection therewith.”

SCHEDULE M: GOVERNMENTAL ENTITY OR PUBLIC POWER SYSTEM

38. The following provisions shall be added to Schedule M:

(a) Paragraph A shall be amended by deleting the term “Act” and replacing with:

“Act” means the Joint Exercise of Powers Act of California (Government Code Section 6500 et seq.).”

(b) Paragraph D shall be amended by deleting in its entirety and replacing with:

“Section 3.4 Party B’s Deliveries. Upon request by Party A, Party B shall provide Party A (i) certified copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Party B of this Master Agreement and (ii) a certificate, signed by an officer of Party B and in form and substance reasonably satisfactory to Party A, certifying as to certain factual matters.”
Section 3.5  No Immunity Claim. Party B warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself from (a) suit, (b) jurisdiction of court (provided that such court is located within a venue permitted under the Agreement), (c) relief by way of injunction, order for specific performance or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment; provided, however, that nothing in this Agreement shall waive the obligations and/or rights set forth in the California Government Claims Act (Government Code Section 810 et seq.).”

(c) Paragraph G shall be amended by deleting in its entirety and replacing with:


SCHEDULE P: PRODUCTS AND RELATED DEFINITIONS

39. The following paragraph shall be added as an explanatory paragraph at the beginning of Schedule P:

“If the Parties agree to a service level defined by a different agreement (e.g., the WSPP Agreement, the ERCOT agreement) for a particular Transaction, then, unless the Parties expressly state and agree that all of the terms and conditions of such other agreement will apply, such reference to a service level/product defined by such other agreement means that the service level/product for that Transaction is subject to the applicable regional reliability requirements and guidelines as well as the excuses for performance, Force Majeure, Uncontrollable Forces, or other such excuses applicable to performance under such other agreement, to the extent inconsistent with the terms of this Agreement, but all other terms and conditions of this Agreement remain applicable including, without limitation, Section 2.2.”

40. The following Sub-Section shall be added to Schedule P:

“7 Other Products and Service Levels.

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

(ii) “WECC” means the Western Electricity Coordinating Council.

(iii) “West Firm” or “WSPPC-Firm” means with respect to a Transaction, Product defined by the WSPP Agreement as amended, in Service schedule C as Firm Capacity/Energy Sale or Exchange Service.

(iv) “WSPP Agreement” means the Western Systems Power Pool Agreement as amended from time to time.”

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK
IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the Effective Date.

WELLHEAD POWER EXCHANGE, LLC

By: ____________________________
Name: Harold E. Dittmer
Title: President

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

By: ____________________________
Name: __________________________
Title: __________________________

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.
This Master Power Purchase and Sale Agreement ("Master Agreement") is made as of the following date: July __, 2019 ("Effective Date"). The Master Agreement, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement." The Parties to this Master Agreement are the following:

Name: DTE Energy Trading, Inc. ("Party A")
Name: Silicon Valley Clean Energy Authority, a California joint powers authority ("Party B")

All Notices:

Street: 414 South Main Street, Suite 200
Street: 333 W. El Camino Real, Suite 290
City: Ann Arbor, MI Zip: 48104
City: Sunnyvale, California Zip: 94087
Attention: Contract Administration
Attention: Girish Balachandran, CEO
Phone: (734) 887-2042
Phone: (408) 721-5301
Fax: (734) 887-2235
Email: girish@svcleanenergy.org
Email: donald.richmond@dteenergy.com
Duns: 
Federal Tax ID Number: 

Invoices:

Attention: Boyd Smith, Staff Accountant
Attention: Power Supply Group
Phone: (734) 887-2023
Phone: (408) 721-5301
Fax: (734) 887-2140
Email: SVCEpowersettlements@svcleanenergy.org
Email: dte_pwr_sttlmts@dteenergy.com

Scheduling:

Attention: Crystal Meads, Scheduling Assist
Attention: ZGlobal
Phone: (734) 887-2077
Phone: (916) 221-4327
Fax: (734) 887-2092
Email: eric@zglobal.biz
Email: crystal.meads@dteenergy.com

Payments:

Attention: Boyd Smith, Staff Accountant
Attention: Finance Group
Phone: (734) 887-2023
Phone: (408) 721-5301
Fax: (734) 887-2140
Email: SVCEpowersettlements@svcleanenergy.org
Email: dte_pwr_sttlmts@dteenergy.com

Wire Transfer:

Bank: JPMorgan Chase Bank, N.A.
ABN: 
Account: 

Wire Transfer:

Bank: BKN: River City Bank
ABN: 
ACCT: 

ACH Payments:

Bank: JPMorgan Chase Bank, N.A.
ABN: 
Account: 

ACH Payments:

Bank: 
ABN: 
Account:
The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

<table>
<thead>
<tr>
<th>Article Two</th>
<th>Transaction Terms and Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>[X] Optional provision in Section 2.4. If not checked, inapplicable.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Article Four</th>
<th>Remedies for Failure to Deliver or Receive</th>
</tr>
</thead>
<tbody>
<tr>
<td>[X] Accelerated Payment of Damages. If not checked, inapplicable.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Article Five</th>
<th>Events of Default; Remedies</th>
</tr>
</thead>
<tbody>
<tr>
<td>[X] Cross Default for Party A:</td>
<td></td>
</tr>
<tr>
<td>[ ] Party A: Cross Default Amount:</td>
<td></td>
</tr>
<tr>
<td>[X] Other Entity: Cross Default Amount: DTE Energy Company</td>
<td></td>
</tr>
<tr>
<td>[X] Cross Default for Party B:</td>
<td></td>
</tr>
<tr>
<td>[X] Party B: Cross Default Amount:</td>
<td></td>
</tr>
<tr>
<td>[ ] Other Entity: Cross Default Amount:</td>
<td></td>
</tr>
</tbody>
</table>

5.6 Closeout Setoff

| [X] Option A (Applicable if no other selection is made.) |
| [ ] Option B |
| [ ] Option C (No Setoff) |

<table>
<thead>
<tr>
<th>Article Eight</th>
<th>Party A Credit Protection:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit and Collateral Requirements</td>
<td>Financial Information:</td>
</tr>
<tr>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>[ ] Option A</td>
<td></td>
</tr>
<tr>
<td>[ ] Option B Specify:</td>
<td></td>
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<tr>
<td>[X] Option C Specify: Rights as a Secured Creditor under the Intercreditor and Collateral Agency Agreement defined in Schedule M</td>
<td></td>
</tr>
</tbody>
</table>

(1) The annual report containing audited consolidated financial statements for such fiscal year of Party B prepared in accordance with generally accepted accounting principles as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be
deemed to have been filled if such financial statements are available at https://www.svcleanenergy.org, and (2) quarterly unaudited financial statements for Party B for the first three quarters of its fiscal year as soon as practicable upon demand, but in no event later than 90 days after the applicable quarter. Should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements. The first quarterly unaudited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction.

(b) Credit Assurances:

(c) Collateral Threshold:

If applicable, complete the following:
Party B Collateral Threshold: N/A
Party B Independent Amount: N/A
Party B Rounding Amount: N/A

(d) Downgrade Event:

If applicable, complete the following:

(e) Guarantor for Party B: N/A

Guarantee Amount: N/A

8.2 Party B Credit Protection:

(a) Financial Information:

[ ] Option A
[X] Option B Specify: DTE Energy Company
[ ] Option C Specify: _________

(b) Credit Assurances:
(c) Collateral Threshold:

If applicable, complete the following:
Party A Collateral Threshold: N/A
Party A Independent Amount: N/A
Party A Rounding Amount: N/A

(d) Downgrade Event:

If applicable, complete the following:

☐ It shall be a Downgrade Event for Party A if the Credit Rating of Party A’s Guarantor falls below BBB- from S&P or Baa3 from Moody’s or if Party A’s Guarantor is not rated by either S&P or Moody’s.

☐ Other:

(e) Guarantor for Party A: DTE Energy Company

Guarantee Amount:

Article 10
Confidentiality
[ ] Confidentiality Applicable If not checked, inapplicable.

Schedule M
[ ] Party A is a Governmental Entity or Public Power System
[ ] Party B is a Governmental Entity or Public Power System
[ ] Add Section 3.6. If not checked, inapplicable
[ ] Add Section 8.4. If not checked, inapplicable. Collateral is the Secured Account as defined in Schedule M.

Other Changes

ARTICLE ONE. GENERAL TERMS AND CONDITIONS

1) Affiliates. Section 1.1 is amended by adding the following sentence at the end of the definition of “Affiliate”:

“Notwithstanding the foregoing, the Parties hereby agree and acknowledge that, with respect to Party A, DTE Electric Company, DTE Gas Company, and Citizens Gas Fuel Company and, with respect to Party B, the public entities designated as members or participants under the Joint Powers Agreement creating Party B, shall not constitute or otherwise be deemed an “Affiliate” for the purposes of this Master Agreement or any Confirmation executed in connection therewith.”

2) Business Day. Section 1.4 is amended by deleting the first sentence and replacing it to read as follows:

“Business Day” means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday or a Federal Reserve Holiday.”

3) Credit Rating. Section 1.12 is amended by: (i) inserting the words “deposit ratings, or” before the words “if such entity” in line third; and (ii) deleting the fourth and fifth lines and replacing with “then the rating assigned to such entity as an issuer credit rating (corporate credit rating) by S&P or issuer rating by
Moody’s.”

4) **Force Majeure.** Section 1.23 shall be amended by inserting in the thirteenth line of this Subsection before the phrase “foregoing factors” the word “two”.

5) **Gains.** Section 1.24 is amended by adding before the period at the end thereof the following: “in accordance with Section 5.2”.

6) **Joint Powers Agreement.** A new Section 1.26A is added as follows:

“1.26A “Joint Powers Agreement” means the Joint Powers Agreement, effective as of March 31, 2016, as amended, providing for the formation of Party B, as such agreement may be further amended or amended and restated.”

7) **Letter(s) of Credit.** Section 1.27 is amended by deleting the phrase “or a foreign bank with a U.S. branch” and replacing it with the phrase “or a U.S. branch of a foreign bank”.

8) **Potential Event of Default.** Section 1.46 is deleted in its entirety.

9) **Recording.** Section 1.50 is amended by deleting “Section 2.4” and substituting “Section 2.5”.

10) **Replacement Price.** Section 1.51 is amended by (i) inserting the phrase “for delivery” in the second line after the word “purchases” and before the phrase “at the Delivery Point” and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with the phrase “absent a purchase”.

11) **S&P.** Section 1.52 shall be deleted and replaced with the following:

“1.52. “S&P” means Standard & Poor’s Financial Services LLC or its successor.”

12) **Sales Price.** Section 1.53 is amended by:

(i) deleting the phrase “at the Delivery Point” from the second line;

(ii) deleting the phrase in line 5 “at the Seller’s option” and replacing it with “absent a sale”; and

(iii) inserting after the word “liability” in the ninth line the following: “provided, further, if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by the Buyer, the Sales Price with respect to such unsold Product shall be deemed equal to zero (0).”

13) **Settlement Amount.** Section 1.56 is amended by deleting the words “pursuant to Section 5.2” and by adding before the period at the end thereof the following: “, as determined in accordance with Section 5.2.”

14) **Transaction.** Section 1.60 is amended by inserting the words “in writing” immediately following the words “agreed to”.

**ARTICLE TWO. TRANSACTION TERMS AND CONDITIONS**

1) In Section 2.1, delete the first sentence in its entirety and replace with the following: “A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties.”

2) In Section 2.1, the last sentence is deleted in its entirety and replaced with the following:

“Each Party agrees not to contest, or assert any defense to, the validity or enforceability of the Transaction entered into in accordance with this Master Agreement based on any lack of authority of the Party or any lack of authority of any employee of the Party to enter into a Transaction; provided, however, Party A acknowledges that no employee of Party B may amend or otherwise materially modify this Master Agreement or a Transaction, or enter into a new Transaction, without the approval of the board of Party B, which may be granted on a prospective basis, and that evidence of such approval, including a certified incumbency setting forth the name and signatures of employees of Party B with authority to act on behalf of
Party B, will be provided pursuant to Section 10.13.”

3) **Section 2.3** is deleted in its entirety and replaced with the following:

“2.3 No Oral Agreements or Modifications. Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Transactions may not be orally amended or modified.”

4) **Section 2.4** is amended by deleting the words “either orally or” in the sixth line.

5) **Section 2.5** is deleted in its entirety and replaced with the following:

“2.5 Recording. Unless a Party expressly objects to a Recording (defined below) at the beginning of a telephone conversation, each Party consents to the creation of a tape or electronic recording (“Recording”) of all telephone conversations between the Parties to this Master Agreement, and that any such Recordings will be retained in confidence and secured from improper access. Each Party waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording and to obtain any necessary consent of such officers and employees.”

**ARTICLE THREE. OBLIGATIONS AND DELIVERIES**

1) **Section 3.2** is amended by adding the following text to the end of the Section: “Product deliveries shall be scheduled in accordance with the then-current applicable tariffs, protocols, operating procedures and scheduling practices for the relevant region.”

**ARTICLE FIVE. EVENTS OF DEFAULT; REMEDIES**

1) In **Section 5.1(a)**, change “three (3) Business Days” to “five (5) Business Days”.

2) In **Section 5.1(g)**, delete the phrase “or becoming capable at such time of being declared,” on the eighth line of the Section, and add the following at the end of the Section:

“provided, however, that no default or event of default shall be deemed to have occurred under this Section 5.1(g) to the extent that any applicable cure period or grace period is available;”

3) In **Section 5.1(h)(v)**, add “made in connection with this Agreement” after “any guaranty”.

4) **Section 5.1** is further amended by replacing the period at the end of subsection (h) with a semicolon, and adding new subsections which read as follows:

“(i) a representation or warranty with respect to the Defaulting Party’s financial statement that is false or misleading if such false or misleading statement is not be remedied within five (5) Business Days after written notice;”

“(j) revocation or suspension by the Federal Energy Regulatory Commission of Party A’s authorization to make sales at market-based rates, and Party A is unable to reinstate such authorization within ninety (90) days;”

“(k) either Party: (i) commits an Event of Default under or otherwise defaults under one or more of the Security Documents (as defined below in Schedule M) and such Event of Default or default continues after giving effect to any applicable notice requirement or cure or grace period, or (ii) disaffirms, disclaims or repudiates any Security Document; or”

“(l) a Party or its Guarantor suffering or being the subject of a default, event of default, termination event, breach or other similar condition or event (howsoever expressed) that has not been remedied within the applicable grace periods under any other agreement or instrument (including, without limitation, commodity and financial derivative agreements or transactions) between a Party and the other Party, where the result of such event has been the termination and liquidation of transactions and the acceleration of amounts due thereunder.”
5) Section 5.2 is amended by:

(i) reversing the placement of “(i)” and “to”;

(ii) deleting the following phrase from the last line: “as soon thereafter as is reasonably practicable”;

(iii) adding the following to the end of that provision: “then each such Transaction shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below). The Gains and Losses for each Terminated Transaction shall be determined by the Non-Defaulting Party calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. In making such calculation, the Non-Defaulting Party may reference information supplied by one or more third parties including, without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include dealers, brokers and information vendors, including, without limitation, Intercontinental Exchange, Inc. If the Non-Defaulting Party’s calculation of the Termination Payment results in an amount that would be due to the Defaulting Party (i.e. the Defaulting Party was in-the-money), then the Termination Payment shall be deemed to be zero dollars ($0.00).”

6) Section 5.3 shall be amended by adding the phrase “plus, at the option of the Non-Defaulting Party, any cash or other form of liquid security then in the possession of the Defaulting Party or its agent pursuant to Article 8,” after the first use of the phrase “due to the Non-Defaulting Party” in the sixth line.

7) Section 5.7 is amended by:

(i) deleting “(a)” and “or (b) a Potential Event of Default” from the second line;

(ii) adding the words “to withhold any payment due to the Defaulting Party under this Agreement and/or” between the “(i)” and the word “to” in line 4; and

(iii) adding the words “withholding or” before the word “suspension” in line 5.

ARTICLE SIX. PAYMENT AND NETTING
1) In Section 6.3, lines 3, 16, and 18, change twelve (12) months to twenty-four (24) months.

ARTICLE SEVEN. LIMITATIONS
1) Section 7.1 shall be amended by:

(i) adding “SET FORTH IN THIS AGREEMENT” after “INDEMNITY PROVISION” and before “OR OTHERWISE,” in the fifth sentence;

(ii) adding in the nineteenth line the words “PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF THIS AGREEMENT EXPRESSLY ALLOWING FOR SPECIAL DAMAGES, INCLUDING BUT NOT LIMITED TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE IN SECTIONS 4.1 AND 4.2, AND CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT IN SECTIONS 5.2 AND 5.3.” immediately after the words “ANY INDEMNITY PROVISIONS SET FORTH IN THIS AGREEMENT OR OTHERWISE”; and

(iii) adding at the end of the last sentence the words “AND ARE NOT PENALTIES.”

ARTICLE TEN. MISCELLANEOUS
1) In Section 10.2, delete the phrase “or Potential Event of Default” from Section 10.2(vii).

2) After Section 10.2(xii) add the following:
“(xiii) each Transaction that is not executed or traded on a trading facility, as defined in the Commodity Exchange Act, is subject to individual negotiation by the Parties;

(xiv) all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute “settlement payments”;

(xv) all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute “margin payments”; and

(xvi) each Party’s rights under Section 5.2, Declaration of an Early Termination Date and Calculation of Settlement Amounts, and Section 5.3, Net Out of Settlement Amounts constitute a “contractual right to liquidate” Transactions.

(xvii) it is an “eligible commercial entity” within the meaning of Section 1a (17) of the Commodity Exchange Act, as amended by the Commodity Futures Modernization Act of 2000 (the “Commodity Exchange Act”) or it is an “eligible contract participant” within the meaning of Section 1a (18) of the Commodity Exchange Act.”

3) **Section 10.2(ix)** shall be deleted in its entirety and replaced with the following:

“(ix) it is a “forward contract merchant” within the meaning of the Title 11 of the United States Code, as amended (the ‘Bankruptcy Code’), all payments made or to be made by one Party to the other Party pursuant to this Agreement constitute a “settlement payment” within the meaning of the Bankruptcy Code, all transfers of Performance Assurance by one Party to the other Party under this Agreement constitute a “margin payment” within the meaning of the Bankruptcy Codes, each Party shall have the “contractual right” to terminate, liquidate, accelerate, or offset the transaction as a “master netting agreement participant” within the meaning of the Bankruptcy Code, electricity delivered hereunder constitutes a “good” under Section 503(b)(9) of the Bankruptcy Code, and the Parties are entities entitled to the rights under, and protection afforded by, Sections 362, 546, 553, 556, 560, 561 and 562 of the Bankruptcy Code.”

4) **Section 10.4** shall be amended by adding the following as the last sentence of this section: “Notwithstanding this Article 10.4, no obligation of indemnification shall arise with respect to any claim to the extent the same resulted from the gross negligence, willful misconduct, or bad faith of the indemnified party.”

5) **Section 10.5** shall be amended by deleting the words from the beginning of clause (ii) through the words prior to “provided, however” and replacing them with:

“(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate’s creditworthiness is equal to or higher than that of such Party or the Guarantor, if any, for such Party, or (y) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any”

6) **Section 10.6** shall be amended by deleting the sentence “EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.” and adding the following after the last line: “(a) EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HEREBY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. (b) “EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL COURTS LOCATED...
IN SAN FRANCISCO, CALIFORNIA, FOR ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION, AND EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.”

The Parties intend for the waiver in clause (a) above to be enforced to the fullest extent permitted under applicable law as in effect from time to time. To the extent that the waiver in clause (a) above is not enforceable at the time that any action or proceeding is filed in a court of the State of California by or against any Party in connection with any of the transactions contemplated by this Agreement, then (i) the court shall, and is hereby directed to, make a general reference pursuant to California Code of Civil Procedure Section 638 to a referee (who shall be a single active or retired judge) to hear and determine all of the issues in such action or proceeding (whether of fact or of law) and to report a statement of decision, provided that at the option of any Party, any such issues pertaining to a “provisional remedy” as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and (ii) the Parties shall share equally all fees and expenses of any referee appointed in such action or proceeding.”

7) In Section 10.6 change “NEW YORK” to “CALIFORNIA”

8) Section 10.8 shall be amended by:

(i) adding at the end of the second to last sentence: “and the rights of either Party pursuant to (i) Article 5, (ii) Section 7.1, (iii) Section 10.11 (iv) Waiver of Jury Trial provisions, if applicable, (v) the obligation of either Party to make payments hereunder, (vi) Section 10.6 (vii) Section 10.13 and (viii) section 10.4 shall also survive the termination of the Agreement or any Transaction.”; and

(ii) adding the following to the end thereof: “This Master Agreement and any Confirmation hereunder may be executed electronically and in counterparts, each of which will be enforceable against the Parties actually executing such counterparts, and all of which together will constitute one instrument. The Parties may rely on electronic, facsimile or scanned signatures as originals. Delivery of an executed signature page of this Master Agreement or Confirmation by electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.”

9) In Section 10.9 insert the words “copies of” after the word “examine” in line 2.

10) Section 10.10 shall be amended by adding the following after the last sentence of the section:

“Each Party further agrees that, for purposes of this Agreement, the other Party is not a “utility” as such term is used in 11 U.S.C. Section 366, and each Party waives and agrees not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort.”

11) Section 10.11, shall be amended by adding the following:

(i) the phrase “or the completed Cover Sheet to this Master Agreement” immediately before the phrase “to a third party” in line three;

(ii) the phrase “, or any such representatives of a Party’s Affiliates,” immediately after the phrase “counsel, accountants, or advisors” in line four;

(iii) in the seventh line thereof, between the word “proceeding” and the semi-colon, which immediately follows, the words “applicable to such Party or any of its Affiliates”; and

(iv) the following at the end of the last sentence: “Party A and Party B acknowledge and agree that the Master Agreement and any Confirmations executed in connection therewith are subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.). Party B acknowledges that Party A may submit information to Party B that the other party considers confidential, proprietary, or trade secret information pursuant to the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act (Government Code Sections 6254 and 6255).
Party A acknowledges that Party B may submit to Party A information that Party B considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act (Government Code sections 6254 and 6255). In order to designate information as confidential, the disclosing party must clearly stamp and identify the specific portion of the material designated with the word “Confidential”. The Parties agree not to over-designate material as confidential. Over-designation would include stamping whole agreements, entire pages or series of pages as Confidential that clearly contain information that is not confidential. Upon request or demand of any third person or entity not a party to this Agreement (“Requestor”) for production, inspection and/or copying of information designated by a Party as confidential information (such designated information, the “Confidential Information” and the disclosing Party, the “Disclosing Party”), the Party receiving such request (the “Receiving Party”) as soon as practical, shall notify the Disclosing Party that such request has been made so that Disclosing Party, at its sole expense, may seek an appropriate protective order or other appropriate remedy. The Disclosing Party shall be solely responsible, at its sole expense, for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor’s demand and is not required to defend against it.”

12) The following shall be added as Section 10.12:

“10.12 Standard of Review/Modifications.

(a) Absent the prior mutual written agreement of all parties to the contrary, the standard of review for any proposed changes to the rates, terms, and/or conditions of service of this Agreement or any Transaction entered into thereunder, whether proposed by a Party, a non-party or FERC acting sua sponte, shall be the Mobile Sierra “public interest” standard of review set forth in Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County, Nos. 06-1457, 128 S.Ct. 2733 (2008) and consistent with the order of the Supreme Court in NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission et al. No. 08-674, 130 S.Ct. 693 (2010) (“NRG Order”). As to all other persons, the Parties intend and agree that the same standard applies, to the maximum degree permitted under the NRG Order.

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

13) The following shall be added as Section 10.13:

“10.13 Party A’s Deliveries. On the Effective Date and as a condition to the obligations of Party B under this Agreement, Party A shall provide to Party B (i) resolutions of the managers, members, or other governing body, as applicable, of Party A approving the execution, delivery and performance of this Master Agreement and any Confirmations executed in connection therewith, and (ii) the incumbency and signatures of the signatories of Party A executing this Master Agreement and any Confirmations executed in connection herewith.”

14) The following shall be added as Section 10.14:

“10.14 Physical Transactions. The Parties understand and agree that the Transactions under this
Agreement are physical transactions for deferred delivery, and that the Parties contemplate making or taking physical delivery of electric energy. Party B is a commercial entity engaged in the business of delivering electric energy to its retail load and routinely makes or takes delivery of electric energy in order to provide service to its retail electric customers.”

15) The following shall be added as Section 10.15:

“10.15 Imaged Agreement. Any original executed Agreement, Confirmation or other related document may be photocopied and stored on computer tapes and disks (the “Imaged Agreement”). The Imaged Agreement, if introduced as evidenced on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under the hearsay rule, the best evidence rule or other rule of evidence.”

16) The following shall be added as Section 10.16:

“10.16 Index Transactions. If the Contract Price for a Transaction is determined by reference to a third-party information source, then the following provisions shall be applicable to such Transaction:

(i) Market Disruption. If a Market Disruption Event occurs during a Determination Period, the Floating Price for the affected Trading Day(s) shall be determined by reference to the Floating Price specified in the Transaction for the first Trading Day thereafter on which no Market Disruption Event exists; provided, however, if the Floating Price is not so determined within three (3) Business Days after the first Trading Day on which the Market Disruption Event occurred or existed, then the Parties shall negotiate in good faith to agree on a Floating Price (or a method for determining a Floating Price), and if the Parties have not so agreed on or before the twelfth Business Day following the first Trading Day on which the Market Disruption Event occurred or existed, then the Floating Price shall be determined in good faith by taking the average of two dealer quotes obtained from dealers of the highest credit standing which satisfy all the criteria that the Seller applies generally at the time in deciding to offer or to make an extension of credit. Notwithstanding the foregoing and subject to time limitations set forth in Sub-Section (ii) below, if the Parties have determined a Floating Price pursuant to this Sub-Section (i) and at a later date the responsible Price Source announces or publishes the relevant Floating Price, then such Floating Price shall be treated as a corrected price pursuant to Sub-Section (ii) below.

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

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

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

“Market Disruption Event” means, with respect to any Price Source, any of the following events: (a) the failure of the Price Source to announce or publish the specified Floating Price or information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange or in the market specified for determining a Floating Price; (c) the temporary or permanent discontinuance or unavailability of the Price Source; (d) the temporary or permanent closing of any Exchange specified for determining a Floating Price; or (e) a material change in the formula for or the method of determining the Floating Price.

“Price Source” means, in respect of a Transaction, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the specified price (or prices from which the specified price is calculated) specified in the relevant Transaction.
“Trading Day” means a day in respect of which the relevant Price Source published the Floating Price.

(ii) **Corrections to Published Prices.** For purposes of determining a Floating Price for any day, if the price published or announced on a given day and used or to be used to determine a relevant price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three (3) years of the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount will, not later than three (3) Business Days after the effectiveness of that notice, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

(iii) **Calculation of Floating Price.** For purposes of calculating a Floating Price, all numbers shall be rounded to three (3) decimal places. If the fourth (4th) decimal number is five (5) or greater, then the third (3rd) decimal number shall be increased by one (1), and if the fourth (4th) decimal number is less than five (5), then the third (3rd) decimal number shall remain unchanged.”

17) The following shall be added as Section 10.17:

“10.17 Generally Accepted Accounting Principles. Any reference to “generally accepted accounting principles” shall mean, with respect to an entity and its financial statements, generally accepted accounting principles, consistently applied, adopted or used in the jurisdiction of the entity whose financial statements are being considered for the purposes of this Agreement.”

18) The following shall be added as Section 10.18:

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

19) The following shall be added as Section 10.19:

“10.19 Two forms, attached hereto as Attachment A and Attachment B, respectively, must be provided by Party B to Party A in order for this Agreement to be effective.”

**SCHEDULE M**

1) Paragraph A is amended by deleting the term “Act” and replacing it with the following:

““Act” means the Joint Exercise of Powers Act of California (Government Code Section 6500 et seq.).”

2) The following definitions will be added to Schedule M:

“**Collateral Agent**” has the meaning in the Security Documents.

“**Depositary Bank**” has the meaning in the Security Documents.

“**Intercreditor and Collateral Agency Agreement**” means the Intercreditor and Collateral Agency Agreement, among the Collateral Agent, Party A, Party B, and the PPA Providers party thereto from time to time.
“Secured Account” means the Lockbox Account (as defined in the Security Agreement).

“Secured Creditors” means each PPA Provider that is a party to the Intercreditor and Collateral Agency Agreement and its respective successors and assigns.

“Security Agreement” means the Security Agreement, between Party B and Collateral Agent, as collateral agent for the benefit of the Secured Creditors.

“Security Documents” means, collectively, the Intercreditor and Collateral Agency Agreement, the Security Agreement and the Account Control Agreement, among the Depositary Bank, Party B and the Collateral Agent.

The “Special Fund” definition shall be deleted in its entirety and replaced with:

“Special Fund” means the Secured Account, which is set aside and pledged to satisfy Party B’s obligations hereunder and out of which amounts shall be paid to satisfy all of Party B’s obligations under this Master Agreement for the entire Delivery Period.

3) Section 3.4 of Schedule M is deleted in its entirety and replaced with the following:

“Section 3.4 Party B Deliveries. As a condition to the obligations of Party A under this Agreement, Party B shall provide to Party A (i) copies of all ordinances, resolutions, public notices and other documents evidencing the necessary authorizations with respect to the execution, delivery and performance by Party B of this Master Agreement and (ii) the incumbency and signatures of the signatories of Party B executing this Master Agreement and any Confirmations executed in connection herewith.”

4) Section 3.6 of Schedule M is deleted in its entirety and replaced with the following:

“Section 3.6 Party B Security. With respect to each Transaction, Party B shall have created and set aside a Special Fund and shall have entered into the Security Documents.”

5) Section 10.6 is amended by adding the following sentence at the end of the section:


SCHEDULE P

1) Add the following to the end of Schedule P: Products and Related Definitions:

(i) “The Parties acknowledge that neither the creation of regional transmission organizations or similar bodies to operate or otherwise control electricity transmission facilities nor the implementation of new governing laws and other rules related to electricity transmission (a “Transmission Assumption Change”) shall operate to void, terminate or cancel any Transaction entered into between the Parties, be deemed to impair the performance of any obligation under this Master Agreement, or provide a basis for the suspension of performance by either Party under this Master Agreement. However, following the effectiveness of a Transmission Assumption Change that has a material effect on the obligations of the Parties or creates a material ambiguity about the obligations of the Parties as to outstanding Transactions, the Parties hereto agree to diligently negotiate in good faith to modify the definitions of the Products for such Transactions with a goal of preserving an economic result for each of the Parties as close as possible to that existing prior to the effectiveness of such change; provided, however, that until such mutually agreed modification is effective this Master Agreement and any outstanding Transactions shall remain in full force and effect in accordance with their terms.”

(ii) “Other Products” If the Parties agree to a service level/product defined by reference to a different agreement (for example, the WSPP Agreement) for a particular Transaction, then, unless the Parties expressly state and agree that all the terms and conditions of such other agreement will apply, such reference to a service level/product shall be as defined by such other agreement,
including if applicable, the regional reliability requirements and guidelines as well as the specific excuses for performance, Force Majeure, Uncontrollable Forces, or other such excuses applicable to such other agreement, to the extent inconsistent with the terms of this Agreement, but all other terms and conditions of this Agreement remain applicable.

(iii) “CAISO Energy” means with respect to a Transaction, a Product under which the Seller shall sell and the Buyer shall purchase a quantity of energy equal to the hourly quantity without Ancillary Services (as defined in the Tariff) that is or will be scheduled as a schedule coordinator to schedule coordinator transaction pursuant to the applicable tariff and protocol provisions of the California Independent System Operator (“CAISO”) (as amended from time to time, the “Tariff”) for which the only excuse for failure to deliver or receive is an “Uncontrollable Force” (as defined in the Tariff). A CAISO Schedule Adjustment (defined as a schedule change implemented by the CAISO that is neither caused by, or within the control of, either Party) shall not constitute an Uncontrollable Force (as defined in the Tariff).

(iv) “West Firm” means with respect to a Transaction, a Product that is or will be scheduled as firm energy consistent with the most recent rules adopted by the WECC for which the only excuses for failure to deliver or receive are if an interruption is (i) due to an Uncontrollable Force as provided in Section 10 of the WSPP Agreement; or (ii) where applicable, to meet Seller's public utility or statutory obligations to its customers. Notwithstanding any other provision in this Agreement, if Seller exercises its right to interrupt to meet its public utility or statutory obligations, Seller shall be responsible for payment of damages for failure to deliver firm energy as provided in Article 4 of this Agreement.

(v) “WECC” means the Western Electric Coordinating Council, formerly Western Systems Coordinating Council, or its successor.

(vi) “WSPP Agreement” means the WSPP Inc.’s Agreement as amended from time to time.”

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

DTE ENERGY TRADING, INC.  SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

By: _________________________  By: _________________________
Name: _________________________  Name: _________________________
Title: _________________________  Title: _________________________

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute (“EEI”) and National Energy Marketers Association (“NEM”) member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.
ATTACHMENT A: W-9 Form
Part I  Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name(s)" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, disregarded entity, see Part I instructions on page 2. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II  Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

3. I am a U.S. citizen or other U.S. person (defined below), and

4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have not been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Signature of U.S. person ______________ Date __________________

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on IRS.gov for information about Form W-9, at www.irs.gov/W9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of a court award or judgment, or payments made to you as a respondent in a domestic关系 or for electronic funds transfer transactions, mortgage interest paid, acquisition or abandonment of a property, cancellation of debt, or contributions made to you by an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, where applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that a U.S. person, your allocable share of income from a U.S. trade or business is not subject to the withholding tax on foreign partners’ share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from FATCA reporting is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester’s form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For tax purposes, you are considered a U.S. person if you are:

• An individual who is a U.S. citizen or U.S. resident alien,

• A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,

• An estate (other than a foreign estate), or

• A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners’ share of effectively connected income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partnership is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partner to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.
ATTACHMENT B: DTE ENERGY TRADING, INC. EFT FORM

Electronic Funds Transfer Authorization Form

This form is used to initiate Electronic Funds Transfers for the specified vendor. Please submit either a vendor invoice with banking information or vendor letterhead with banking information or a voided check with bank information on it along with this EFT form. Please complete all fields; put N/A if not applicable.

Note: For Standard EFT, fill out sections I, II and IV. If an intermediary bank is needed for wires, fill out section I, III and IV only.

DTE Energy Vendor Code: ____________________________ DTE Energy Contact: ____________________________

Section I: Company Information:

Name: ____________________________________________

Street Address: ____________________________________

City: ___________________ State: ___________________ ZIP Code: ____________________________

Contact Name: ____________________________________ Contact Number: ____________________________

Email Address for Remittance advice: ____________________________

Section II: Bank Information:

Account 1:

Type of Transfer: ACH Only □ WIRE Only □ Either □

(ACH is preferred. See agreement at the bottom of this page)

Bank Name: ____________________________________

Country: _______________________________________

Bank ABA #: ____________________________ Bank Account #: ____________________________

SWIFT CODE: ____________________________ Bank Code: ____________________________ Transit #: ____________________________

[For Foreign Banks]

[For a Canadian Bank, Bank Code and Transit # are required if ABA # is Not provided]

Additional Information: ____________________________

Account 2:

Type of Transfer: ACH Only □ WIRE Only □ Either □

(ACH is preferred. See agreement at the bottom of this page)

Bank Name: ____________________________________

Country: _______________________________________

Bank ABA #: ____________________________ Bank Account #: ____________________________

SWIFT CODE: ____________________________ Bank Code: ____________________________ Transit #: ____________________________

[For Foreign Banks]

[For a Canadian Bank, Bank Code and Transit # are required if ABA # is not provided]

Additional Information: ____________________________

If setting up more than two accounts, please submit an additional form.

DTE Energy is unable to process international ACH transactions. By checking the statement below you are stating that your ACH instructions are US only:

☐ I declare that my ACH transaction is not forwarded across the U.S border to a foreign bank or financial institution through the ACH network on the same day it is deposited. This box must be checked in order to process the ACH.
Electronic Funds Transfer Authorization Form

Section III: Funds Transmittal Using Intermediary Bank:

Intermediary Bank Information: (US Bank Only)

Bank Name: 
ABA #: 
SWIFT CODE (Optional): 
Account #: 

Bank Country: 

Destination or Final bank Information: (Foreign Bank Only)

Bank Name: 
Branch Address: 
City: State: Country: ZIP Code: 

Bank identification #: 
SWIFT CODE (Mandatory): 
ABA #: 
Account #: 

IBAN (Optional): 

Additional Information: 

Section IV: Approval:

Print Name and Title of Company Officer 

Signature of Company Officer 
Date 

The above signature acknowledges acceptance of the following: DTE Energy and/or its subsidiaries are authorized to make deposits into the account at the bank identified above. Both parties agree to be bound by the Operating Rules of the National Automated Clearinghouse Association (NACHA) for ACH transactions. This authorization is to remain in effect until written notice of termination is given to DTE Energy by the vendor.
AMENDMENT NO. 1
TO MASTER AGREEMENT

THIS AMENDMENT NO. 1 TO MASTER AGREEMENT ("Amendment") dated as of July 22, 2019 (the "Effective Date") is entered into between TransAlta Energy Marketing (U.S.) Inc. ("TransAlta" or "Party A") and Silicon Valley Clean Energy Authority, a California joint powers authority ("SVCE" or "Party B") TransAlta and SVCE are each a "Party" and, collectively, the "Parties".

WHEREAS, TransAlta and SVCE are Parties to that certain Master Power Purchase and Sale Agreement, including the Cover Sheet, Collateral Annex and Paragraph 10 to the Collateral Annex, dated as of July 24, 2017 (the "Master Agreement", and together with all Transactions, the "Agreement");

WHEREAS, the Parties now desire to amend the terms and conditions of the Master Agreement pursuant to the terms set forth below; and

WHEREAS, in accordance with Article 2 of the Master Agreement, any amendment, modification or supplement to the Master Agreement shall be entered into only upon a writing signed by both Parties.

NOW, THEREFORE, the Parties agree as follows:

1. Amendments to the Master Agreement.

Section I.(B) Party B Collateral Threshold under Paragraph 10 to the Collateral Annex, is amended by:

Deleting the amount of “ ” and replacing with the amount of “ ”.

2. Miscellaneous.

a. Capitalized Terms. All capitalized terms used herein unless otherwise defined shall have the meanings given to them in the Agreement.

b. Entire Agreement. This Amendment constitutes the entire agreement and understanding of the Parties with respect to its subject matter and supersedes all oral communication or prior writings related thereto. Except as expressly set forth in this Amendment, all terms and conditions of the Agreement remain unchanged, are in full force and effect, and remain binding upon the Parties.

c. Governing Law. This Amendment shall be governed by, construed, performed and enforced in accordance with the laws of the State of California, without regard to the principles of conflicts of law.

d. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Amendment. The Parties may rely on electronic, facsimile or scanned signatures as originals under this Amendment.

Amendment to Transalta Master Agreement
e. **Delivery.** Delivery of an executed signature page of this Amendment by electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.

**IN WITNESS WHEREOF,** the Parties have executed this Amendment by their respective duly authorized representatives as of the Effective Date.

**TransAlta Energy Marketing (U.S.) Inc.**

By: ____________________________
Name: __________________________
Title: __________________________
Date: __________________________

**Silicon Valley Clean Energy Authority**

By: ____________________________
Name: __________________________
Title: __________________________
Date: __________________________

By: ____________________________
Name: __________________________
Title: __________________________
Date: __________________________
MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This Master Power Purchase and Sale Agreement (Version 2.1, modified 4/25/00) ("Master Agreement") is made as of the following date: July 24, 2017 ("Effective Date"). The Master Agreement, together with the exhibits, schedules and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions (including any confirmations accepted in accordance with Section 2.3 hereto) shall be referred to as the "Agreement." The Parties to this Master Agreement are the following:

Name: TransAlta Energy Marketing (US) Inc. ("TEMUS" or "Party A")

All Notices:
Street: 110 – 12th Avenue SW
City: Calgary Zip: T2R 0G7
Attn: Contract Administration
Phone: 
Facsimile: 
E-mail: ContractAdmin@transalta.com
Duns: 
Federal Tax ID Number: 

Invoices:
Attn: Counterparty Settlements
Phone: 
Facsimile: 
Email: transalta_settlements@transalta.com

Scheduling:
Attn: Scheduler
Phone: 403-267-6902 / 403-267-6931
Facsimile: 403-267-6906
Email: 

Payments:
Attn: Counterparty Settlements
Phone: 
Facsimile: 
E-mail: transalta_settlements@transalta.com

Wire Transfer:
BNK: 
ABA: 
ACCT:

Beneficiary’s Bank:

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

All Notices:
Street: 333 W. El Camino Real, Suite 290
City: Sunnyvale, CA Zip: 94087
Attn: Tom Habashi
Phone: (408) 721-5301
Facsimile: 
E-mail: tomh@svcleanenergy.org
Duns: 
Federal Tax ID Number: 

Invoices:
Attn: Silicon Valley Clean Energy Authority Finance
Phone: (408) 721-5301
Facsimile: 

Scheduling:
Phone: (916) 221-4327
Address: 604 Sutter Street, Suite 250,
Folsom, CA 95630
Email: eric@zglobal.biz

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

Wire Transfer:
BNK: 
ABA: 
ACCT: 

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Credit and Collections:
Attn: Credit Risk Department
Facsimile: 403-267-7575
Email: TACredit@transalta.com

With additional Notices of an Event of Default or Potential Event of Default to:
Attn: Legal Counsel, Trading
Phone:
Facsimile: ContractAdmin@transalta.com

The Parties hereby agree that the General Terms and Conditions are incorporated herein, and to the following provisions as provided for in the General Terms and Conditions:

Party A Tariff:
Tariff FERC Rate Schedule No. 1 Dated: 12/31/2013 Docket Number ER10-2806-001

Party B Tariff: Tariff Dated Docket Number

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

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

Article Five
Events of Default; Remedies
☐ Cross Default for Party A:
☐ Party A: ___________________ Cross Default Amount $____________
☐ Other Entity: TransAlta Corporation Cross Default Amount $__________

☐ Cross Default for Party B:
☐ Party B: Silicon Valley Clean Energy Authority Cross Default Amount $__________

☐ Other Entity: ___________________ Cross Default Amount $____________

5.6 Closeout Setoff
☐ Option A (Applicable if no other selection is made.)

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

☐ Option C (No Setoff)

Article 8
8.1 Party A Credit Protection:
Credit and Collateral Requirements
(a) Financial Information:

Version 2.1 (modified 4/25/00)
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□ Option A
□ Option B Specify:
☑ Option C Specify: (A) (1) The annual report containing audited consolidated financial statements for such fiscal year of Silicon Valley Clean Energy as soon as practicable after demand, but in no event later than 180 days after the end of each annual period and such request will be deemed to have been filled if such financial statements are available at www.svcleanenergy.com, and (2) quarterly unaudited financial statements for Silicon Valley Clean Energy as soon as practicable upon demand, but in no event later than 90 days after the applicable quarter, and (3) prompt written notice of any failure to comply with the covenants in Section 9 of the Credit Agreement dated November 15, 2016 between Party B and River City Bank. In all cases the statements shall be for the most recent accounting period and shall be prepared in accordance with generally accepted accounting principles; provided, however, that should any such statements not be available on a timely basis due to a delay in preparation or certification, such delay shall not be an Event of Default so long as the relevant entity diligently pursues the preparation, certification and delivery of the statements. The statements shall consist of, at a minimum, statement of revenues, expenses and changes in fund net assets, statement of net assets, statement of cash flows on a consolidating basis (as applicable), including the associated notes. Audited statements shall be audited by an independent certified public accountant. The first quarterly audited statement will be provided within 90 days after the fiscal quarter during which Party A begins deliveries under a Transaction. Party B’s fiscal year ends June 30.

(b) Credit Assurances:
☑ Not Applicable
□ Applicable

(c) Collateral Threshold:
□ Not Applicable
☑ Applicable

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

Party B Independent Amount: SEE PARAGRAPH 10 TO COLLATERAL ANNEX

Party B Rounding Amount: SEE PARAGRAPH 10 TO COLLATERAL ANNEX

(d) Downgrade Event:
☑ Not Applicable
□ Applicable

If applicable, complete the following:

□ It shall be a Downgrade Event for Party B if the Credit Rating of [Party B or Party B’s Guarantor] falls below BBB- from S&P or below Baa3 from Moody’s, or if [Party B or Party B’s Guarantor] is not rated by either S&P or Moody’s.

□ Other:
Specify:

(e) Guarantor for Party B: NONE
Guarantee Amount: Not Applicable

8.2 Party B Credit Protection:

(a) Financial Information:

☐ Option A
☒ Option B Specify: TransAlta Corporation, provided however, that such financial statements are not required to be delivered if they are available on “SEDAR”, “EDGAR” or on the party’s home page.
☐ Option C Specify: __________

(b) Credit Assurances:

☒ Not Applicable
☐ Applicable

(c) Collateral Threshold:

☐ Not Applicable
☒ Applicable

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

Party A Independent Amount: SEE PARAGRAPH 10 TO COLLATERAL ANNEX

Party A Rounding Amount: SEE PARAGRAPH 10 TO COLLATERAL ANNEX

(d) Downgrade Event:

☒ Not Applicable
☐ Applicable

If applicable, complete the following:

☐ It shall be a Downgrade Event for Party A if the Credit Rating of Party A’s Guarantor falls below BBB- from S&P or below Baa3 from Moody’s, or if Party A’s Guarantor is not rated by any Ratings Agency.

☐ Other:
Specify: __________

(e) Guarantor for Party A: TransAlta Corporation

Guarantee Amount: $________

---

 Article 10

Confidentiality ☒ Confidentiality Applicable If not checked, inapplicable.

 Schedule M

☐ Party A is a Governmental Entity or Public Power System
☒ Party B is a Governmental Entity or Public Power System
☒ Add Section 3.6. If not checked, inapplicable
☐ Add Section 8.6. If not checked, inapplicable
Other Changes

Cover Sheet: Schedule M

The Cover Sheet is revised by deleting the reference “Section 8.6” and replacing it with “Section 8.4”.

Article One: General Definitions

Section 1.1 is revised by adding the following sentence to the end of the definition:

"Notwithstanding the foregoing, (i) the public entities that are designated as “Parties” under the Joint Powers Agreement (referred to herein as “members” of Party B) shall not constitute or otherwise be deemed an “Affiliate” of Party B for the purposes of this Master Agreement or any Confirmation."

Section 1.4 is amended by deleting the first sentence and replacing it to read as follows: “Business Day” means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday, Easter Monday, a Canadian bank or Federal Reserve holiday or any statutory holiday in Alberta”.

Section 1.12 is revised to read as follows:

“1.12 “Credit Rating” means, with respect to any entity, the rating then assigned by Moody’s, S&P or any other rating agency agreed by the Parties as set forth in the Cover Sheet, to such entity’s senior unsecured long-term debt obligations (not supported by insurance provider enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by Moody’s or as an issuer or corporate credit rating by S&P or another rating by any other rating agency agreed by the Parties as set forth in the Cover Sheet. In the event that the Party or its Guarantor has multiple ratings, the lower rating shall prevail.”

The following defined term is added as Section 1.26A:

“1.26A “Joint Powers Agreement” means the Joint Powers Agreement, effective as of March 31, 2016, as amended, providing for the formation of Party B, as such agreement may be further amended or amended and restated.”

Section 1.27 is revised by (A) deleting the word “transferable” in the first line and replacing it with “non-transferable”, (B) adding the phrase “, a Canadian commercial bank” in the second line immediately after the words “U.S. commercial bank”, (C) deleting the words “credit rating” in third line and replacing it with “long term debt rating or deposit rating”, and (D) adding the phrase “and at least $10 billion in total assets” in the third line immediately after the word “Moody’s”.

The following defined term is added as Section 1.49A:

“1.49A “Ratings Agency” means S&P, Moody’s or any other rating agency agreed by the Parties as set forth in the Cover Sheet.”

Section 1.50 is revised to read as follows:

“1.50 “Recording” has the meaning set forth in Section 2.5.”

Section 1.51 is amended to (i) add the phrase “for delivery” immediately before the phrase “at the Delivery Point” in the second line and (ii) delete the phrase “at Buyer’s option” from the fifth line and replace it with the following: "absent a purchase".

5

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Section 1.52 is deleted in its entirety as replaced with the following:

"1.52 "S&P" means S&P Global Market Intelligence, a division of S&P Global Inc., or its successor."

Section 1.53 is amended to (i) delete the phrase "at the Delivery Point" from the second line, (ii) delete the phrase "at Seller's option" from the fifth line and replace it with the following: "absent a sale", and (iii) insert after the phrase "commercially reasonable manner" in the sixth line, the following phrase "; provided, however if the Seller is unable after using commercially reasonable efforts to resell all or a portion of the Product not received by Buyer, the Sales Price with respect to such Product shall be deemed equal to zero (0)".

Article Two: Transaction Terms and Conditions

Section 2.1 is revised by deleting the first sentence in its entirety and replace with the following: "A Transaction, or an amendment, modification or supplement thereto, shall be entered into only upon a writing signed by both Parties; provided, however, that once a Party provides a signed Confirmation to the other Party, such Confirmation must be signed within three (3) Business Days to be effective and if both Parties have not signed the Confirmation within such period the Confirmation will not be effective as to either Party."

Section 2.2 is amended by deleting "(including any Confirmations accepted in accordance with Section 2.3)" from the second sentence and is further revised by adding the following to the end of the section:

"Party A and Party B agree that from and after the Effective Date, all new transactions with respect to the purchase and sale of any Product shall be made or deemed to be made pursuant to this Master Agreement (unless otherwise specifically agreed in writing)."

Section 2.3 is deleted in its entirety and replaced with the following:

"2.3 "No Oral Agreements or Modifications. Notwithstanding anything to the contrary in this Master Agreement, the Master Agreement and any and all Transactions may not be orally amended or modified."

Section 2.4 is amended by deleting the words "either orally or" in the seventh line thereof.

Article Five: Events of Default; Remedies

Section 5.1(h)(v) is revised by adding the phrase "made in connection with this Agreement" after "any guaranty".

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

The following shall be added to the end of Section 5.2: "under applicable law on the Early Termination Date, then each such Transaction (individually, an "Excluded Transaction" and collectively, the "Excluded Transactions") shall be terminated as soon thereafter as reasonably practicable, and upon termination shall be deemed to be a Terminated Transaction and the Termination Payment payable in connection with all such Transactions shall be calculated in accordance with Section 5.3 below. The Gains and Losses for each Terminated Transaction shall be determined by calculating the amount that would be incurred or realized to replace or to provide the economic equivalent of the remaining payments or deliveries in respect of that Terminated Transaction. The Non-Defaulting Party (or its agent) may determine its Gains and Losses by reference to information available to it internally or supplied by one or more third parties including, without
limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets. Third parties supplying such information may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. If the Non-Defaulting Party’s Gains exceed its Costs and Losses, then the Settlement Amount will be zero dollars ($0.00) and no Settlement Amount will be due to the Defaulting Party from the Non-Defaulting Party.”

Section 5.2 is revised by reversing the placement of “(i)” and “to”.

Clause (b) of Section 5.3 is revised so that the phrase “plus, at the option of the Non-Defaulting Party, any cash then available to the Defaulting Party pursuant to Article Eight,” is inserted after the first occurrence of the words “Non-Defaulting Party”.

(a) The following shall be added to the end of Section 5.4:

“Notwithstanding any provision to the contrary contained in this Agreement, the Non-Defaulting Party shall not be required to pay to the Defaulting Party any amount under Article 5 until the Non-Defaulting Party receives confirmation satisfactory to it in its reasonable discretion (which may include an opinion of its counsel) that all other obligations of any kind whatsoever of the Defaulting Party to make any payments to the Non-Defaulting Party or any of its Affiliates under this Agreement or otherwise which are due and payable as of the Early Termination Date (including for these purposes amounts payable pursuant to Excluded Transactions) have been fully and finally performed.”

Article Six: Payment and Netting

Section 6.3 is amended by changing “twelve (12) months” to “twenty-four (24) months” in lines 3, 16 and 18.

Article Eight: Credit and Collateral Requirements

Section 8.1(a) is revised so that the figures “120” and “60” in each of Options (A) and (B) are replaced with the figures “140” and “90” respectively.

Section 8.2(a) is revised so that the figures “120” and “60” in each of Options (A) and (B) are replaced with the figures “140” and “90” respectively.

Section 8.2(c) is revised by adding the following paragraph after the first paragraph:

“Party A may at any time and from time to time (including at the time of a request by Party B for Performance Assurance) give notice to Party B of its intent to increase the amount of the guarantee provided by Party A’s Guarantor. No such increase shall become effective until Party A shall have provided Party B with a new guaranty or an amended guaranty (in form and substance acceptable to Party B).”

Article Ten: Miscellaneous

Section 10.2(iii) is revised by inserting the text “(including, with respect to Party B, the Joint Powers Agreement)” immediately after the words “governing documents”.

Section 10.11 is revised to read as follows:
"10.11 Confidentiality. If the Parties have elected on the Cover Sheet to make this Section 10.11 applicable to this Master Agreement, neither Party shall disclose (i) the terms or conditions of a Transaction or any other information exchanged relating to a Transaction or potential Transaction, or (ii) the completed Cover Sheet to this Master Agreement, to a third party (other than the Party's employees, lenders, counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except (a) in order to comply with any applicable law, regulation, or any exchange, control area or independent system operator rule or in connection with any court or regulatory proceeding, or (b) to the extent necessary to provide commercial terms of a Transaction, except the details pertaining to Seller or Buyer or either Party's name, to a third party for the sole purpose of calculating a published index; provided, however, each Party shall, to the extent practicable, use reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with, this confidentiality obligation. This Section 10.11 is in addition to, and not in substitution for, any other written assurances of non-disclosure between and executed by the Parties."

The following is added as Section 10.12:

"10.12 Arbitration.

(a) Any claim, counterclaim, demand, cause of action, dispute or controversy arising out of or relating to this Agreement, or in respect of any legal relationship associated therewith or derived there from or relating to the subject matter of this Agreement, whether contractual in nature or not, shall be referred to and finally resolved by arbitration administered pursuant to the International Arbitration Rules of the American Arbitration Association (or such other rules of arbitration as the Parties may agree). The number of arbitrators shall be three, and each Party shall choose one arbitrator and the two arbitrators shall choose the third arbitrator, who shall serve as chair. The place of arbitration shall be San Francisco, California. The language of the arbitration shall be English. It is agreed that the arbitrators shall have no jurisdiction or authority to award treble, exemplary or punitive damages of any type under any circumstances whether or not such damages may be available under any applicable law, and each of the Parties hereby waives its rights, if any, to recover any such damages. To the fullest extent permitted by law, the Parties shall maintain in confidence the fact that an arbitration has been commenced, all documents and information exchanged during the course of the arbitration proceeding, and the arbitrators' award, provided that each of the Parties shall be entitled to disclose such matters to its own officers, directors and employees, its professional advisors and other representatives as necessary for the purposes of conducting the arbitration, and may make such disclosures in the course of legal proceedings as may be required to pursue any legal right arising out of or in connection with the arbitration.

(b) If any applicable law or statute authorizes any form of court proceeding in any of the courts of the United States that in any way arises out of or is related to an arbitration conducted pursuant to this Agreement ("Related Proceedings"), then, to the extent that any such matter is in whole or in part eligible for resolution by a United States District Court, whether or not the dispute may in whole or in part also be eligible for resolution in a state court, each party irrevocably:

(i) submits to the exclusive jurisdiction of the United States District Court.
Court located in the City of San Francisco, California for the purposes of such Related Proceedings; and

(ii) waives any objection which it may have at any time to the laying of venue of any Related Proceedings brought in any such court, waives any claim that such Related Proceedings have been brought in an inconvenient forum, and further waives the right to object, with respect to such Related Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either Party from bringing a proceeding in any jurisdiction to enforce an arbitration award or any judgment enforcing an arbitration award, nor will the bringing of such proceedings in any one or more jurisdictions preclude the bringing of enforcement proceedings in any other jurisdiction. In connection with any court proceedings, each Party waives its respective right to any jury trial.”

The following is added as Section 10.13:

“10.13 Waiver. FERC Standard of Review.

(A) Absent the agreement of all parties to the proposed change, the standard of review for changes to any provision of this Agreement (including all Power Transactions and/or Confirmations) specifying the rate(s) or other material economic terms and conditions agreed to by the parties herein, whether proposed by a party, a non-party or FERC acting sua sponte, shall solely be the “public interest” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish 554 U.S. 527 (2008) and NRG Power Marketing LLC v. Maine Public Utility Commission, 558 U.S. 165 (2010) (the “Mobile-Sierra” doctrine).

(B) The parties, for themselves and their successors and assigns, (y) agree that “public interest” standard of review shall apply to any proposed changes in any other documents, instruments or other agreements executed or entered into by the parties in connection with this Agreement and (z) hereby expressly and irrevocably waive any rights they can or may have to the application of any other standard of review, including the “just and reasonable” standard of review, provided that this standard of review and the other provisions of this Section 10.13 shall only apply to proceedings before the FERC or appeals thereof.

(C) In addition, notwithstanding the foregoing clauses (A) and (B), to the fullest extent permitted by applicable law, each party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Sections 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any provision of this Agreement (including any applicable Transactions and/or Confirmations) specifying the rate(s) or other material economic terms and conditions agreed to by the parties, it being the express intent of the parties that, to the fullest extent permitted by applicable law, neither party shall unilaterally seek to obtain from FERC any relief changing the rate(s)
and/or other material economic terms and conditions of their agreement(s), as set forth in this Agreement and in any Transactions or Confirmations, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this Section 10.13 shall not apply, provided that, consistent with this Section 10.13 neither party shall seek any such changes except under the “public interest” standard of review and otherwise as set forth in clauses (A) and (B) above.”

The following is added as Section 10.14:

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

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

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

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

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

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

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

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

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

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

(b) Definitions. For the purposes of this Section 10.14, the following terms shall have the following meanings:

(i) "Determination Period" means each calendar month a part or all of which is within the Delivery Period of a Transaction.

(ii) "Exchange" means, in respect of a Transaction, the exchange or principal trading market specified as applicable to the relevant Transaction.

(iii) "Floating Price" means a Contract Price specified in a Transaction that is based upon a Price Source.

(iv) "Market Disruption Event" means, with respect to any Price Source, any of the following events:

A. the failure of the Price Source to announce, publish or make available the specified Floating Price or information necessary for determining the Floating Price for a particular day;

B. the failure of trading to commence on a particular day or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange, RTO or in the market specified for determining a Floating Price;

C. the temporary or permanent discontinuance or unavailability of the Price Source;

D. the temporary or permanent closing of any Exchange or RTO specified for determining a Floating Price; or
E. a material change in the formula for or the method of determining the Floating Price by the Price Source or a material change in the composition of the Product.

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

(vi) "RTO" means any regional transmission operator or independent system operator.

(vii) "RTO Transaction" means a Transaction in which the Price Source is an RTO.

(viii) "Trading Day" means a day in respect of which the relevant Price Source ordinarily would announce, publish or make available the Floating Price.

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

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

The following is added as Section 10.15:

"10.15 Counterparts / Electronic Delivery.

This Agreement may be executed in counterparts each of which is an original, and all of which shall constitute one and the same instrument. Delivery of an executed signature page of this Agreement and any Confirmation by facsimile or electronic mail transmission (in portable document format (PDF) shall be as effective as delivery of a manually executed signature page."

12

Version 2.1 (modified 4/25/00)

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The following is added as Section 10.16:

"10.16 Joint Powers Authority.

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

Schedule M: Governmental Entity or Public Power System

Section A of Schedule M is hereby amended by deleting the defined term “Act” and replacing it with the following:

“Act” means the Joint Exercise of Powers Act of California (Government Code Section 6500 et seq.).”

Section E of Schedule M is hereby amended by inserting the text “Governmental Entity or” immediately after the word “cover” in the second sentence of Section 3.6.

Section G of Schedule M is hereby deleted in its entirety and replaced with the following:

“G. The Parties agree to add the following sentence at the end of Section 10.6 – Governing Law:


Schedule P: Products and Related Definitions

The following definition and provision are added to Schedule P:

1. “CAISO Energy” means with respect to any Transaction, a Product under which the Seller shall sell and the Buyer shall purchase a quantity of energy equal to the hourly quantity without Ancillary Services (as defined in the Tariff) that is or will be scheduled as a schedule coordinator to schedule coordinator transaction pursuant to the applicable tariff and protocol provisions of the California Independent System Operator (“CAISO”) (as amended from time to time, the “Tariff”) for which the only excuse for failure to deliver or receive is an “Uncontrollable Force” (as defined in the Tariff). A CAISO “Schedule Adjustment” (defined as a schedule change implemented by the CAISO that is neither caused by, or within the control of, either Party) shall not constitute an Uncontrollable Force (as defined in the Tariff).

2. Other Products and Service Levels: In addition to the Products set out in Schedule P, the Parties may agree to use a product or service level defined by a different agreement (i.e., the Tariff, the WSPP Agreement, etc.) for a particular Transaction under this Master Agreement. If so, then the Transaction shall be subject to all the terms of this Master Agreement, except that (1) the product or service level definition, (2) force majeure, uncontrollable force definitions or other excuses for performance, (3) applicable regional reliability requirements and guidelines, and (4) other terms and conditions as mutually

13
agreed in writing, shall have the meaning given to them in the different agreement or in the applicable Confirmation.

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

TRANSALTA ENERGY MARKETING (U.S.) INC.

By: ________________________________
Name: Jennifer Pierce
Title: Senior Vice President
Trading & Marketing

SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

By: ________________________________
Name: Tom Harashi
Title: CEO

DISCLAIMER: This Master Power Purchase and Sale Agreement was prepared by a committee of representatives of Edison Electric Institute ("EEI") and National Energy Marketers Association ("NEM") member companies to facilitate orderly trading in and development of wholesale power markets. Neither EEI nor NEM nor any member company nor any of their agents, representatives or attorneys shall be responsible for its use, or any damages resulting therefrom. By providing this Agreement EEI and NEM do not offer legal advice and all users are urged to consult their own legal counsel to ensure that their commercial objectives will be achieved and their legal interests are adequately protected.
GUARANTEE AGREEMENT

Date: This Guarantee Agreement (this "Guarantee") is made as of July 24, 2017.

Granted To: Silicon Valley Clean Energy Authority, a joint power authority incorporated under the laws of California (the "Beneficiary")

Granted By: TransAlta Corporation, a body corporate incorporated under the laws of Canada (the "Guarantor")

Re: TransAlta Energy Marketing (U.S.) Inc., a body corporate incorporated under the laws of the State of Delaware (the "Guarantor's Subsidiary")

Guaranteed Amount: $[REDACTED] US

The Beneficiary and the Guarantor's Subsidiary have entered into, or may be, or are anticipating entering into, one or more contracts or agreements (the "Transaction Agreements") involving the purchase, sale, or similar physical or derivate financial transactions with respect to electrical power or natural gas (the "Transactions"). As a result of the Transactions between the Beneficiary and the Guarantor's Subsidiary, the Beneficiary will or may be extending credit to the Guarantor's Subsidiary. The Guarantor acknowledges that it will receive substantial and direct and indirect benefits the Transactions and wishes to provide this Guarantee to the Beneficiary as part of the Guarantor's Subsidiary's consideration for such Transactions and to induce the Beneficiary to enter into such Transactions and to extend such credit to the Guarantor's Subsidiary.

Accordingly, the Guarantor hereby agrees as follows:

1. Guarantee: The Guarantor hereby unconditionally and irrevocably guarantees the prompt and punctual payment when due by the Guarantor's Subsidiary, subject to any applicable cure periods under the Transaction Agreements, of all current and future payment obligations of the Guarantor's Subsidiary owed to the Beneficiary arising under or pursuant to the Transactions (the "Obligations") all in accordance with the terms of the Transaction Agreements and this Guarantee. Upon the failure by the Guarantor's Subsidiary to pay any of the Obligations, the Beneficiary shall make demand for payment upon the Guarantor. Such demand shall be in writing and shall state the amount the Guarantor's Subsidiary has failed to pay, together with a specific statement that the Beneficiary is calling upon the Guarantor to pay the Obligation under this Guarantee. Guarantor shall forthwith pay to the Beneficiary, but in no event less than five (5) business days following demand by Beneficiary, the amount due in the same currency and manner provided for in the Transaction Agreements. For greater certainty, the "Obligations" include:

   (a) all taxes which may be payable pursuant to the applicable Transaction Agreements;

   (b) interest, late and service fees and other charges payable pursuant to the applicable Transaction Agreements;

   (c) damages and liquidated damages but only if, and to the extent, contemplated as being payable pursuant to the applicable Transaction Agreements; and

   (d) reasonable attorneys' fees, and/or costs of collection, if any, paid by the Beneficiary in the collection of the Obligations.

2. Limitation: Notwithstanding anything else contained within this Guarantee, the maximum liability of the Guarantor in respect of any or all of the Obligations shall not, in any event or
circumstance, exceed or aggregate to exceed over time the Guaranteed Amount identified above. If any Obligation must be converted between currencies in order to determine whether or not the Guaranteed Amount is exceeded and the Transaction Agreement does not provide for such a conversion, then it shall be done using the average of the Bank of Canada daily spot rates quoted at noon Ottawa, Ontario time for the calendar month immediately preceding the date of any required conversion calculation.

3. **Nature of Guarantee:** The Guarantor's obligations hereunder with respect to any of the Obligations shall not be affected by the existence of or any change in the validity, enforceability, perfection or the extent of any collateral or security for the Obligations. The Beneficiary shall not be obligated to file any claim relating to the Obligations owing to it in the event that the Guarantor's Subsidiary becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Beneficiary to so file shall not affect the Guarantor's obligations hereunder. In the event that any payment related to an Obligation is rescinded or must otherwise be returned by the Beneficiary for any reason whatsoever, the Guarantor shall remain liable in accordance with the provisions of this Guarantee in respect of such rescinded or returned payment as if it had not been made. The Guarantor reserves the right to assert defences which the Guarantor's Subsidiary may have to the payment of any Obligation other than defences arising from the bankruptcy or insolvency of the Guarantor's Subsidiary and other defences expressly waived under this Guarantee.

4. **Consents, Waivers and Renewals:**

(a) Subject to the right of termination under Section 6, the Guarantor agrees that the Beneficiary and the Guarantor's Subsidiary may mutually agree to create or modify any Obligation, Transaction, or Transaction Agreement without in any way impairing or affecting the Guarantor's obligations under this Guarantee. In addition, the Guarantor waives all right to receive any notice in respect of the creation or modification of any Obligation, Transaction, or Transaction Agreement.

(b) The Guarantor agrees that the Beneficiary may resort to the Guarantor for the payment of the Obligations under this Guarantee whether or not the Beneficiary shall have resorted to any collateral security or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations.

(c) Other than Beneficiary's written demand for payment as set forth in Section 1 of this Agreement, the Guarantor hereby waives notice of acceptance of this Guarantee and any notice of presentment or of protest and all other notices whatsoever.

(d) Except as to applicable statutes of limitation, no delay of the Beneficiary in the exercise of, or failure to exercise, any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from any obligations hereunder.

(e) Guarantor agrees that Beneficiary may enforce this Guarantee upon the occurrence of a default by Guarantor's Subsidiary under the Agreement notwithstanding the existence of a dispute between Beneficiary and Guarantor's Subsidiary with respect to the existence of the default.
5. **Subrogation**: Upon payment of all Obligations owing to the Beneficiary in respect of a particular Transaction, the Guarantor shall be subrogated to the rights of the Beneficiary against the Guarantor's Subsidiary in respect of such Transaction and the Beneficiary shall take, at the Guarantor's expense, all such steps as the Guarantor may reasonably request to implement such subrogation.

6. **Termination**: This Guarantee and the Guarantor's obligations hereunder may be terminated by the Guarantor at any time by delivery of written notice thereof to the Beneficiary; provided however that this Guarantee shall remain in full force and effect after such termination until all Obligations that are outstanding, contracted or committed for (whether or not outstanding) before such termination shall be finally and irrevocably paid in full.

7. **Miscellaneous**:

   (a) **governing law/courts**: This Guarantee shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of law provisions that would require the application of the laws of any other jurisdiction. All disputes arising pursuant to or related to this Guarantee shall be settled exclusively in the federal and state courts located in San Francisco, California. Each of the Guarantor (by its execution and delivery of this Guarantee) and the Beneficiary (by its acceptance of this Guarantee) irrevocably submit to the exclusive jurisdiction of such courts.

   (b) **successors and assigns**: The Beneficiary may assign its rights hereunder (when assigning its rights and obligations related to an applicable Transaction in accordance with the provisions of the applicable Transaction Agreement) without the prior consent of the Guarantor. Any other assignment by the Beneficiary or any assignment by the Guarantor of its respective rights or obligations hereunder shall not be made without the written consent of the other party, such consent not to be unreasonably withheld. This Guarantee shall be binding upon the Guarantor's successors and permitted assigns and shall enure to the benefit of the Beneficiary and its successors and permitted assigns.

   (c) **representations/warranties**: The Guarantor, through the undersigned officer, represents and warrants to the Beneficiary that (i) the Guarantor's Subsidiary is a subsidiary of the Guarantor, (ii) the Guarantor is authorized to grant this Guarantee and has all necessary rights, powers and authorizations to do so and (iii) this Guarantee is a valid and binding obligation of the Guarantor enforceable against it in accordance with its terms, except as may be modified by applicable bankruptcy, insolvency, reorganization and other laws relating to or affecting creditors' rights and to general equity principles.

   (d) **execution**: This Guarantee (i) may be executed and delivered by electronic means and (ii) need not be under corporate seal. Any such execution and delivery shall be sufficient for all purposes of evidencing due, valid and authorized execution of this Guarantee by the Guarantor.

   (e) **guarantee of payment**: This Guarantee constitutes a guarantee of payment and not of collection.
(f) **entire agreement:** Except as provided in any other written agreement now or at any time hereafter in force between the Beneficiary and the Guarantor, this Guarantee shall constitute the entire agreement of the Guarantor with the Beneficiary with respect to the subject matter hereof and no representation, understanding, promise or condition concerning the subject matter hereof shall be binding upon the Guarantor unless expressed herein.

8. **Notices:** All notices, requests, demands and other communications required or permitted to be made or given under this Guarantee shall be in writing and shall be delivered via courier, e-mail, or first class mail (postage prepaid) to the address and to the individual(s) indicated below:

If to the Beneficiary, to:  
Silicon Valley Clean Energy Authority  
333 W. El Camino Real, Suite 290  
Sunnyvale, California 94087  
Attn: Tom Habashi  
E-mail: tom@svcleanenergy.org

If to the Guarantor, to:  
TransAlta Corporation  
Box 1900, Station "M"  
110-12 Avenue SW  
Calgary, Alberta T2P 2M1  
Attn: Credit Department  
E-mail: TACredit@transalta.com

Any notices shall be deemed to have been given (i) with respect to delivery by courier, on the date of receipt, (ii) with respect to delivery by e-mail, if received before the end of regular business hours, then on the day of receipt, or if received after regular business hours, then on the business day immediately following receipt, or (iii) with respect to delivery by mail, on the 5th business day after being mailed by registered or certified mail, provided that if there is any disruption in postal service, notice shall be deemed to have been given on the day of receipt.

[signature page follows]
IN WITNESS WHEREOF, the Guarantor has executed this Guarantee by its duly appointed signing officer with all requisite authorization as of the date noted on the top of the first page.

TRANSALTA CORPORATION

By: [Signature]
Name: Jennifer Pierce
Title: Senior VP, Trading & Marketing

By: [Signature]
Name: [Name]
Title: [Title]

By: [Signature]
Name: [Name]
Title: [Title]
PARAGRAPH 10
to the COLLATERAL ANNEX
to the
EEI MASTER POWER PURCHASE AND SALE AGREEMENT
dated as of July 24, 2017

between

TransAlta Energy Marketing (U.S.) Inc.
("Party A")
being a corporation organized and existing under the laws of the State of Delaware

and

Silicon Valley Clean Energy Authority
("Party B")
being a California Joint Powers Authority organized and existing under the laws of the State of California

CREDIT ELECTIONS COVER SHEET

Paragraph 10. Elections and Variables

I. Collateral Threshold.

A. Party A Collateral Threshold.

☒ $ ___________ (the “Threshold Amount”); provided, however, that the Collateral Threshold for Party A shall be zero upon the occurrence and during the continuance of an Event of Default with respect to Party A.

☐ The amount (the “Threshold Amount”) set forth below under the heading “Party A Collateral Threshold” opposite the Credit Rating for [Party A][Party A’s Guarantor] on the relevant date of determination, or (b) zero if on the relevant date of determination [Party A][its Guarantor] does not have a Credit Rating from the rating agency specified below or an Event of Default or a Potential Event of Default with respect to Party A has occurred and is continuing; provided, however, in the event that, and on the date that, Party A cures the Potential Event of Default on or prior to the date that Party A is required to post Performance Assurance to Party B pursuant to a demand made by Party B pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party A shall automatically increase from zero to the Threshold Amount and (ii) Party A shall be relieved of its obligation to post Performance Assurance pursuant to such demand.

31352360v1
### Party A

<table>
<thead>
<tr>
<th>Collateral Threshold</th>
<th>Credit Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>(or above)</td>
</tr>
<tr>
<td>$</td>
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<td>$</td>
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<tr>
<td>$</td>
<td>Below_____</td>
</tr>
</tbody>
</table>

- The amount of the Guaranty Agreement dated _____ from _____, as amended from time to time but in no event shall Party A's Collateral Threshold be greater than $______.

- Other – see attached threshold terms

### B. Party B Collateral Threshold.

- $_______ (the “Threshold Amount”); provided, however, that the Collateral Threshold for Party B shall be zero upon the occurrence and during the continuance of an Event of Default, a Potential Event of Default or Material Adverse Change with respect to Party B; and provided further that, in the event that, and on the date that, Party B cures the Potential Event of Default or Material Adverse Change on or prior to the date that Party B is required to post Performance Assurance to Party A pursuant to a demand made by Party A pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default or Material Adverse Change, (i) the Collateral Threshold for Party B shall automatically increase from zero to the Threshold Amount and (ii) Party B shall be relieved of its obligation to post Performance Assurance pursuant to such demand. As used herein, “Material Adverse Change” with respect to Party B shall be limited to Party B’s failure to comply with the covenants in Section 9 of the Credit Agreement dated November 15, 2016 between Party B and River City Bank.

- The amount (the “Threshold Amount”) set forth below under the heading “Party B Collateral Threshold” opposite the Credit Rating for [Party B][Party B’s Guarantor] on the relevant date of determination, or (b) zero if on the relevant date of determination [Party B][its Guarantor] does not have a Credit Rating from the rating agency specified below or an Event of Default or a Potential Event of Default with respect to Party B has occurred and is continuing; provided, however, in the event that, and on the date that, Party B cures the Potential Event of Default on or prior to the date that Party B is required to post Performance Assurance to Party A pursuant to a demand made by Party A pursuant to the provisions of the Collateral Annex on or after the occurrence of such Potential Event of Default, (i) the Collateral Threshold for Party B shall automatically increase from zero to the Threshold Amount and (ii) Party B shall be relieved of its obligation to post Performance Assurance pursuant to such demand:

<table>
<thead>
<tr>
<th>Collateral Threshold</th>
<th>Credit Rating</th>
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<tbody>
<tr>
<td>$</td>
<td>(or above)</td>
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<tr>
<td>$</td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>Below_____</td>
</tr>
</tbody>
</table>
☐ The amount of the Guaranty Agreement dated _____ from _____, as amended from time to time but in no event shall Party B's Collateral Threshold be greater than $______.

☐ Other – see attached threshold terms

II. Eligible Collateral and Valuation Percentage.

The following items will qualify as "Eligible Collateral" for the Party specified:

<table>
<thead>
<tr>
<th>(A)</th>
<th>Cash</th>
<th>Party A</th>
<th>Party B</th>
<th>Valuation Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[ X ]</td>
<td>[ X ]</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(B)</th>
<th>Letters of Credit</th>
<th>Party A</th>
<th>Party B</th>
<th>Valuation Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[ X ]</td>
<td>[ X ]</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>100% unless either (i) a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit, or (ii) twenty (20) or fewer Business Days remain prior to the expiration of such Letter of Credit, in which cases the Valuation Percentage shall be zero (0).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(C)</th>
<th>Other</th>
<th>Party A</th>
<th>Party B</th>
<th>Valuation Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>[ ]</td>
<td>[ ]</td>
<td>______%</td>
<td></td>
</tr>
</tbody>
</table>

III. Independent Amount.

A. Party A Independent Amount.

☐ Party A shall have a Fixed Independent Amount of $___________. If the Fixed Independent Amount option is selected for Party A, then Party A (which shall be a Pledging Party with respect to the Fixed IA Performance Assurance) will be required to Transfer or cause to be Transferred to Party B (which shall be a Secured Party with respect to the Fixed IA Performance Assurance) Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the "Fixed IA Performance Assurance"). The Fixed IA Performance Assurance shall not be reduced for so long as there are any outstanding obligations between the Parties as a result of the Agreement, and shall not be taken into account when calculating Party A’s Collateral Requirement pursuant to the Collateral Annex. Except as expressly set forth above, the Fixed IA Performance Assurance shall be held and maintained in accordance with, and otherwise be subject to, Paragraphs 2, 5(b), 5(c), 6, 7 and 9 of the Collateral Annex.

☐ Party A shall have a Full Floating Independent Amount of $___________. If the Full Floating Independent Amount option is selected for Party A, then for purposes of calculating Party A’s Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, such Full Floating Independent Amount for Party A shall be added by Party B to its Exposure Amount for purposes of determining Net Exposure pursuant to Paragraph 3(a) of the Collateral Annex.

☐ Party A shall have a Partial Floating Independent Amount of $___________. If the Partial Floating Independent Amount option is selected for Party A, then Party A will be required to Transfer or cause to be Transferred to Party B Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the “Partial Floating IA Performance Assurance”) if at any time Party A otherwise has a Collateral Requirement (not taking into
consideration the Partial Floating Independent Amount) pursuant to Paragraph 3 of the Collateral Annex. The Partial Floating IA Performance Assurance shall not be reduced so long as Party A has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount). The Partial Floating Independent Amount shall not be taken into account when calculating a Party’s Collateral Requirements pursuant to the Collateral Annex. Except as expressly set forth above, the Partial Floating Independent Amount shall be held and maintained in accordance with, and otherwise be subject to, the Collateral Annex.

☐ Not Applicable

B. Party B Independent Amount.

☐ Party B shall have a Fixed Independent Amount of $___________. If the Fixed Independent Amount Option is selected for Party B, then Party B (which shall be a Pledging Party with respect to the Fixed IA Performance Assurance) will be required to Transfer or cause to be Transferred to Party A (which shall be a Secured Party with respect to the Fixed IA Performance Assurance) Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the “Fixed IA Performance Assurance”). The Fixed IA Performance Assurance shall not be reduced for so long as there are any outstanding obligations between the Parties as a result of the Agreement, and shall not be taken into account when calculating Party B’s Collateral Requirement pursuant to the Collateral Annex. Except as expressly set forth above, the Fixed IA Performance Assurance shall be held and maintained in accordance with, and otherwise be subject to, Paragraphs 2, 5(b), 5(c), 6, 7 and 9 of the Collateral Annex.

☐ Party B shall have a Full Floating Independent Amount of $___________. If the Full Floating Independent Amount Option is selected for Party B then for purposes of calculating Party B’s Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, such Full Floating Independent Amount for Party B shall be added by Party A to its Exposure Amount for purposes of determining Net Exposure pursuant to Paragraph 3(a) of the Collateral Annex.

☐ Party B shall have a Partial Floating Independent Amount of $___________. If the Partial Floating Independent Amount option is selected for Party B, then Party B will be required to Transfer or cause to be Transferred to Party A Performance Assurance with a Collateral Value equal to the amount of such Independent Amount (the “Partial Floating IA Performance Assurance”) if at any time Party B otherwise has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount) pursuant to Paragraph 3 of the Collateral Annex. The Partial Floating IA Performance Assurance shall not be reduced for so long as Party B has a Collateral Requirement (not taking into consideration the Partial Floating Independent Amount). The Partial Floating Independent Amount shall not be taken into account when calculating a Party’s Collateral Requirements pursuant to the Collateral Annex. Except as expressly set forth above, the Partial Floating Independent Amount shall be held and maintained in accordance with, and otherwise be subject to, the Collateral Annex.

☐ Not Applicable

IV. Minimum Transfer Amount.
A. **Party A Minimum Transfer Amount:** $[Amount]

B. **Party B Minimum Transfer Amount:** $[Amount]

V. **Rounding Amount.**

A. **Party A Rounding Amount:** $[Amount]

B. **Party B Rounding Amount:** $[Amount]

VI. **Administration of Cash Collateral.**

A. **Party A Eligibility to Hold Cash.**

☐ Party A shall not be entitled to hold Performance Assurance in the form of Cash. Performance Assurance in the form of Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(ii)(B) of the Collateral Annex. Party A shall pay to Party B in accordance with the terms of the Collateral Annex the amount of interest it receives from the Qualified Institution on any Performance Assurance in the form of Cash posted by Party B.

☒ Party A shall be entitled to hold Performance Assurance in the form of Cash provided that the following conditions are satisfied: (1) it is not a Defaulting Party, (2) Cash shall be held only in any jurisdiction within the United States; and (3) [other, if any]. To the extent Party A is entitled to hold Cash, the Interest Rate payable to Party B on Cash shall be as selected below:

**Party A Interest Rate.**

☒ Federal Funds Effective Rate - the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

☐ Other - __________

B. **Party B Eligibility to Hold Cash.**

☐ Party B shall not be entitled to hold Performance Assurance in the form of Cash. Performance Assurance in the form of Cash shall be held in a Qualified Institution in accordance with the provisions of Paragraph 6(a)(ii)(B) of the Collateral Annex. Party B shall pay to Party A in accordance with the terms of the Collateral Annex the amount of interest it receives from the Qualified Institution on any Performance Assurance in the form of Cash posted by Party A.

☒ Party B shall be entitled to hold Performance Assurance in the form of Cash provided that the following conditions are satisfied: (1) it is not a Defaulting Party, (2) Cash shall be held only in any jurisdiction within the United States; and (3) [other, if any]. To the extent Party B is entitled to hold Cash, the Interest Rate payable to Party A on Cash shall be as selected below:

**Party B Interest Rate.**
Federal Funds Effective Rate - the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

☐ Other - __________

VII. Notification Time.

☐ Other – 1:00 p.m. New York time

VIII. General.

With respect to the Collateral Threshold, Independent Amount, Minimum Transfer Amount and Rounding Amount, if no selection is made in this Cover Sheet with respect to a Party, then the applicable amount in each case for such Party shall be zero (0). In addition, with respect to the “Administration of Cash Collateral” section of this Paragraph 10, if no selection is made with respect to a Party, then such Party shall not be entitled to hold Performance Assurance in the form of Cash and such Cash, if any, shall be held in a Qualified Institution pursuant to Paragraph 6(a)(ii)(B) of the Collateral Annex. If a Party is eligible to hold Cash pursuant to a selection in this Paragraph 10 but no Interest Rate is selected, then the Interest Rate for such Party shall be the Federal Funds Effective Rate as defined in Section VI of this Paragraph 10.

Below are modifications to certain provisions of the Edison Electric Institute Collateral Annex (“the Collateral Annex”). To the extent these modifications conflict with any terms and conditions contained in the Collateral Annex, said modifications shall prevail.

Delete the words “Paragraph 10 Elections” and replace it with the words “Paragraph 10 Cover Sheet” in the first sentence of the first introductory paragraph.

Delete the word “exclusive” immediately before the phrase “conditions under which a Party will be required to Transfer Performance Assurance” and immediately before the phrase “conditions under which a Party will release such Performance Assurance” in the first sentence of the second introductory paragraph.

Paragraph 1. Definitions.

At the end of the definition of “Credit Rating” following the word “S&P” add, “or ‘issuer rating’ by Moody’s or Fitch.”

Within the definition of “Credit Rating Event”, change “6(a)(iii)” to Paragraph “6(a)(ii)”.

Within the definition of “Downgraded Party”, change “(i)” to “(ii)”.

Within the definition of “Notification Time”, add “a.m.” immediately after “11:00”.

Within the definition of “Performance Assurance”, change “6(a)(iv)” to “6(a)(iii)”.

Within the definition of “Qualified Institution”, delete “and” immediately before “surplus”.

Within the definition of “Secured Party”, change “(b)” to “(a)”.

For purposes of the Collateral Annex, “setoff”, “set off” and “offset” shall have the same meaning.

Add the following definition as Section 1.22A: “Fitch” means Fitch Ratings, Inc. or its successor.

In line 13 the word “next” shall be replaced by the word “second” and the words “thereafter” shall be added after the word “Day”.

In line 15 the word “second” shall be replaced by the word “third”.

The following shall be added to the end of Paragraph 4: “In no event shall Party A be required to provide or maintain Performance Assurance with a Collateral Value in excess of $[ ] at any time. In no event shall Party B be required to provide or maintain Performance Assurance with a Collateral Value in excess of $[ ] at any time.”

Paragraph 5. Reduction and Substitution of Performance Assurance.

In line 18 the words “one (1)” shall be replaced by the words “two (2)”. In line 21 the words “two (2)” shall be replaced by the words “three (3)”).

In line 20 the words “before the Notification Time on a Business Day” shall be replaced by the words “before the Notification Time on a Local Business Day”.


In section (a)(ii)(B), in the 10th and 11th lines, the words "to perfect the security interest of the Non-Downgraded Party" are deleted and replaced with the words "to perfect the security interest of the Downgraded Party".


Add “The” immediately before “Secured Party” in the first line of section (c).

Paragraph 9. Covenants; Representations and Warranties; Miscellaneous.

Add “Party” immediately after “incurred by the other” in the last sentence of section (d).

Agreed to by the undersigned this 23rd day of July 2017.

TransAlta Energy Marketing (U.S.) Inc.                Silicon Valley Clean Energy Authority, A California Joint Powers Authority

Signature: Jennifer Pierce                                Signature: Tom Habash
Name: Jennifer Pierce                                     Name: Tom Habash
Title: Senior Vice President Trading & Marketing         Title: CEO
Staff Report – Item 1f

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1f: Approve Time Extension and Authorize Chief Executive Officer to Execute Second Amendment to Agreement with Calpine Energy Solutions, LLC

Date: 8/14/2019

RECOMMENDATION
Staff recommends the Board of Directors authorize the CEO to approve the second amendment to the agreement with Calpine Energy Solutions, LLC for an extension of four months, through June 30th, 2020.

BACKGROUND
During the fall of 2016, SVCE negotiated an agreement with Noble Americas Energy Solutions LLC for data services to support the startup and ongoing operation Silicon Valley Clean Energy’s customer billing and customer service functions. The original term of the contract, since transferred to Calpine Energy Solutions, was November 1, 2016 through March 1, 2020. Thereafter, the contract specifies that the term of the agreement shall automatically renew for successive one (1) year terms, unless one party provides written notice to the other party at least one hundred eighty (180) calendar days in advance of the end of the then existing term that it does not wish to renew the term of this Agreement.

Services provided under the current contract with Calpine cost SVCE approximately $300,000/month, or $3.6M/year.

ANALYSIS & DISCUSSION
Peninsula Clean Energy (PCE) is engaged in a similar data services contract with Calpine. SVCE and PCE are now jointly engaged in negotiations with Calpine for a follow-on agreement, with updates to scope, duration and costs to be determined through the negotiations. It is anticipated that the time required for negotiations and subsequent Board approvals will run through the remainder of calendar year 2019. Given the 180-day notice term in the current agreement, SVCE is requesting extension of the current contract term from March 1, 2020 until June 30th, 2020. This update to the contract term will provide SVCE and PCE time for joint negotiations with Calpine and aligns SVCE’s contract timing with that of PCE.

Other that the extension of the end date by four months, there are no other changes to the current contract with Calpine, including scope or costs.

STRATEGIC PLAN
Data services contract negotiations are supported by SVCE Strategic Plan Goal 4 – maintain customer service satisfaction.

FISCAL IMPACT
There is no incremental financial impact associated with the four-month extension of the Calpine cont.

ATTACHMENT
1. SVCEA Calpine Contract Amendment 2 - Term Extension
2. Amendment 1 and SVCEA Calpine Contract
SECOND AMENDMENT to the
AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY
AND CALPINE ENERGY SOLUTIONS, LLC
As of November 1, 2016
Amendment Effective Date: August 14, 2019

This Second Amendment is made and entered into by and between Calpine Energy Solutions, LLC ("Contractor") and Silicon Valley Clean Energy Authority ("SVCEA"). Effective upon the Amendment Effective Date, SVCEA and Contractor hereby agree to amend that certain Agreement Between the Silicon Valley Clean Energy Authority and Calpine Energy Solutions, LLC dated as of November 1, 2016, to extend the term of such Agreement (the "Original Agreement").

For good and sufficient consideration, including the mutual covenants set forth in this Amendment, all of the following terms, conditions, covenants, and representations set forth in this Amendment are hereby incorporated by reference as part of the Original Agreement, which together shall hereafter constitute the "Agreement."

I. The Original Agreement is hereby amended by deleting Item 4 in its entirety and replacing it with the following:

"4. Term
Subject to compliance with all terms and conditions of this Agreement, the term of this Agreement shall be from November 1, 2016 through June 30, 2020. Thereafter, the term of this Agreement shall automatically renew for successive one (1) year terms unless one party provides written notice to the other party at least one hundred eighty (180) calendar days in advance of the end of the then existing term that it does not wish to renew the term of this Agreement."

II. All capitalized terms used, but not defined, in this Amendment shall have the meanings set forth in the Agreement. As modified by this Amendment, the Agreement shall remain in full force and effect.

III. This Amendment may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. The Parties agree that, if a copy of this Amendment is executed by a Party and transmitted to the other Party by facsimile, the copy received shall be deemed for all legal purposes to be an original executed by the transmitting Party.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Second Amendment as of the Amendment Effective Date.

For CONTRACTOR:
CALPINE ENERGY SOLUTIONS, LLC
By: ________________________________
Title: ________________________________

For SVCEA:
SILICON VALLEY CLEAN ENERGY AUTHORITY
By: ________________________________
Title: ________________________________
AMENDMENT to the
AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY
AND CALPINE ENERGY SOLUTIONS, LLC
As of November 1, 2016
Amendment Effective Date: April 3, 2018

This Amendment is made and entered into by and between Contractor and SVCEA. Effective upon the Amendment Effective Date, SVCEA and Contractor hereby agree to amend that certain Agreement Between the Silicon Valley Clean Energy Authority and Calpine Energy Solutions, LLC dated as of November 1, 2016, as may be amended through such Amendment Effective Date (the "Original Agreement").

For good and sufficient consideration, including the mutual covenants set forth in this Amendment, all of the following terms, conditions, covenants, and representations set forth in this Amendment are hereby incorporated by reference as part of the Original Agreement, which together shall hereafter constitute the "Agreement."

I. The Original Agreement is hereby amended by deleting Section 4 of Exhibit A in its entirety and replacing it with the following:

*4. Customer Call Center:
   a. Provide professional Interactive Voice Response (IVR) recordings for CCA customer call center.
   b. Provide option for IVR self-service and track how many customers start and complete self-service options without live-agent assistance.
   c. Through July 1, 2018, staff a call center 24 hours a day 7 days a week to process opt out requests only.
   d. Staff a call center between the hours of 7 AM and 7 PM PPT Monday through Friday, excepting SVCEA and PG&E holidays. Provide data on call volumes by day of week, time of day, and nature of request, with a summary of percentage of calls received during various times of day in order to evaluate potential call center hours of operation. Upon request by SVCEA, Contractor agrees to discuss in good faith any increase in the operating hours of the call center and any resulting increase in costs to SVCEA. Any mutually agreed upon changes in the operating hours and costs shall be set forth in an amendment to this Agreement.
   e. Provide sufficient call center staffing to meet the requirements set forth herein, including designating SVCEA specific agents to the extent needed to provide for full functionality and a customer call center supervisor that will serve as the main point of contact between SVCEA and customer call center staff.
   f. Provide sufficient number of Data Manager Experts available to manage escalated calls between the hours of 8 AM and 5 PM PPT Monday through Friday, excluding SVCEA and PG&E holidays ("Regular Business Hours"). For the purpose of Exhibit A, Data Manager Experts are designated analyst trained to resolve escalated CCA customer-specific questions related to metered usage, CCA rates including NEM, account status, payments, and program participation.
   g. [Reserved]
   h. Contractor will adhere to the following performance standards:
      i. A minimum of 80% of all calls will be answered within 45 seconds.
      ii. A minimum of 90% of calls will be answered within 3 minutes.
      iii. 100% of voicemail messages requiring response receive an acknowledgment response within one (1) business day.
      iv. 95% of voicemail messages requiring response answered or sent to SVCEA (as directed by SVCEA) within one (1) business day.
      v. 100% of voicemail messages requiring response answered or sent to SVCEA (as directed by SVCEA) within three (3) business days.
      vi. 100% of emails receive an immediate automated acknowledgement.
      vii. 95% of emails requiring customized response answered or sent to SVCEA (as directed by SVCEA) within one (1) business day.
      viii. 100% of emails requiring customized response answered or sent to SVCEA (as directed by SVCEA) within three (3) business days.
      ix. Achieve a no greater than 5% abandon rate for all calls.
   i. Contractor shall provide monthly reports, which will demonstrate whether these performance standards have been met.
j. Provide callers with the estimated hold time, if applicable. Provide an automated 'call back' option for callers who will be put on hold for an estimated five minutes or longer.

k. Record all inbound calls and make recordings available to SVCEA staff upon request. Maintain an archive of such recorded calls for a minimum period of 24 months.

l. Track call center contact quality with criteria including:
   i. Use of appropriate greetings and other call center scripts
   ii. Courtesy and professionalism
   iii. Capturing key customer data
   iv. Providing customers with correct and relevant information
   v. First-contact resolution
   vi. Accuracy in data entry and call coding
   vii. Grammar and spelling in text communication (email and chat)

m. Evaluate customer satisfaction through randomized voluntary customer surveys that ask general questions about call quality, call resolution, and how satisfied the customer was with the service received.

n. Receive calls from SVCEA customers referred to Contractor by PG&E and receive calls from SVCEA customers choosing to contact Contractor directly without referral from PG&E.

o. Provide the call center number on PG&E invoice allowing SVCEA customers to contact the call center. Collect and/or confirm current email, mailing address and phone number of customers and add to or update database during inbound call.

p. Collect permission (via voice recording, email request, or electronic form submittal) from customers to send electronic correspondence instead of printed mail.

q. Respond to telephone inquiries from SVCEA customers using a script developed and updated quarterly by SVCEA. For questions not addressed within the script, refer inquiries either back to PG&E or to SVCEA.

r. Respond to customer inquiries within 24 hours, excluding weekends and holidays, including inquiries received either through telephone calls, email, fax or web-portal.

s. Offer bi-annual cross training to PG&E call center in coordination with SVCEA.

t. Participate in coordinative meetings, at SVCEA's request, to promote the resolution of any customer service issues. Such meetings may include SVCEA's management/staff and may require on-site participation by contractor's management/staff.

u. Provide monthly status reports during the first week of each month.

v. Provide weekly status reports during Statutory Enrollment Periods.

w. Use commercially reasonable efforts to make Spanish speaking call center staff available to customers during Regular Business Hours.

x. Provide translation services for inbound calls for the following languages: Spanish, Cantonese, Mandarin, Tagalog, and Vietnamese.

y. Create and maintain online forms for the SVCEA website so that customers may perform program related tasks including, but not limited to, opt-up, opt-down, or opt-out from the Silicon Valley Clean Energy website. These program changes will be integrated into the Customer Relationship Management system on a daily or more frequent basis.

z. At SVCEA’s request, host SVCEA meetings with call center management and representatives on a bi-monthly basis.

aa. Forward inbound calls regarding matters under the control of SVCEA, to SVCEA. Forward inbound calls regarding matters under the control of PG&E, to PG&E.

bb. Capture customer communication in CRM in accordance with a protocol for receiving and responding to customer complaints, including a tracking and reporting program. Contractor shall provide said protocol to SVCEA for its review within sixty (60) calendar days of execution of this Agreement.

II. All capitalized terms used, but not defined, in this Amendment shall have the meanings set forth in the Agreement. As modified by this Amendment, the Agreement shall remain in full force and effect.

III. This Amendment may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. The Parties agree that, if a copy of this Amendment is
executed by a Party and transmitted to the other Party by facsimile, the copy received shall be deemed for all legal purposes to be an original executed by the transmitting Party.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Amendment as of the Amendment Effective Date.

For CONTRACTOR:
CALPINE ENERGY SOLUTIONS, LLC

By: [Signature]
Title: James M. Wood
   President

For SVCEA:
SILICON VALLEY CLEAN ENERGY AUTHORITY

By: [Signature]
Title: CEO
AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY
AND NOBLE AMERICAS ENERGY SOLUTIONS LLC

This Agreement is entered into this 1st day of November, 2016, by and between the Silicon Valley Clean
Energy Authority, a joint powers authority, hereinafter called “SVCEA” and Noble America Energy
Solutions LLC, hereinafter called “Contractor.” SVCEA and Contractor may be referred to hereinafter
individually as “Party” and collectively as “Parties”.

Whereas, SVCEA may contract with independent contractors for the furnishing of such services to or for
SVCEA; and

Whereas, it is necessary and desirable that a Contractor be retained for the purpose of providing data
management and establishing a customer call center for SVCEA, as further described in Exhibit A hereto;

Now, therefore, it is agreed by the parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this
Agreement by this reference:

   Exhibit A – Services
   Exhibit B – Payments and Rates
   Exhibit C – NES Security Breach Policy

2. Services to be performed by Contractor

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform
services for SVCEA in accordance with the terms, conditions, and specifications set forth in this Agreement
and in Exhibit A. As provided by Exhibit B, Contractor will perform the services described in Exhibit A but
will not invoice SVCEA nor will SVCEA owe payments to Contractor sooner than sixty (60) calendar days
following the date on which the first SVCEA customer meter becomes active.

3. Payments

   a) In consideration of the services provided by Contractor in accordance with all terms, conditions,
and specifications set forth in this Agreement and in Exhibit A, SVCEA shall make payment to
Contractor based on the rates and in the manner specified in Exhibit B. In the event that the
SVCEA, in its sole discretion, makes any advance payments, Contractor agrees to refund any
amounts in excess of the amount owed by the SVCEA at the time of contract termination or
expiration. Contractor will not invoice SVCEA nor will SVCEA owe payments to Contractor sooner
than sixty (60) calendar days following the date on which the first SVCEA customer meter becomes
active.

   b) Unless otherwise indicated in Exhibit B, Contractor shall invoice SVCEA monthly for all payments
related to service performed during the previous month, or two months in the case of the first and
second months’ invoices. Payments shall be due within thirty (30) calendar days after the date of
invoice. All payments must be made in U.S. dollars.

   c) For any month in which SVCEA believes Contractor has failed to meet the performance standards
specified in Exhibit A, Sections 4(g), 4(h) and 5(k), SVCEA shall have the right to reduce payment
of any invoice by $10,000 as liquidated damages as provided in this section. Prior to exercising this right, SVCEA shall provide written notice to Contractor that identifies the performance standard(s) that have not been met and states SCVEA’s intent to invoke this subsection if the failure(s) to achieve such performance standard(s) are not remedied within thirty (30) calendar days. The Parties shall then confer to establish a plan to remedy such failure, which plan may provide a different deadline for remedying of the failure(s) at the mutual agreement of the Parties. In the event that Contractor is unable to achieve such remedy within the 30 calendar days of notification, or within the deadline established by the Parties, SCVEA may exercise its rights under this subsection to reduce payment of each subsequent invoice by $10,000 until the failure(s) is remedied. The foregoing liquidated damages payment shall be limited to $10,000 per month regardless of how many performance standards are not met. SVCEA and Contractor agree that Contractor’s failure to comply with these standards will cause SVCEA to incur substantial economic damages and losses of types and in amounts which are impossible to compute and ascertain with certainty as a basis for recovery by SVCEA of actual damages, including increased opt-out rates, reputational harm and general customer dissatisfaction, and these liquidated damages represent a fair, reasonable and appropriate estimate thereof. Such liquidated damages are intended to represent estimated actual damages and are not intended as a penalty and Contractor agrees to pay such liquidated damages in the form of a reduction in invoice payment if it fails to meet the performance standards without limiting SVCEA’s right to terminate this Agreement for default as provided by Section 5(b) of this Agreement.

4. **Term**

Subject to compliance with all terms and conditions of this Agreement, the term of this Agreement shall be from November 1, 2016 through March 1, 2020. Thereafter, the term of this Agreement shall automatically renew for successive one (1) year terms unless one party provides written notice to the other party at least one hundred eighty (180) calendar days in advance of the end of the then existing term that it does not wish to renew the term of this Agreement.

5. **Termination**

a) Early Termination Due to Cancellation of Community Choice Aggregation (CCA) program. If SVCEA determines on or before January 15, 2017, in its sole and absolute discretion, not to proceed with the CCA program, SVCEA may terminate this Agreement by giving written notice to Contractor as provided in Section 19 of this Agreement. In that event, no payments will be owed or paid.

b) Termination for Default. Either SVCEA or Contractor may terminate this Agreement if any one of the following events (each a "Default") occurs with respect to the other Party: (i) with respect to SVCEA, SVCEA fails to pay amounts due hereunder and such failure continues for twenty-one (21) business days after written notice from Contractor; in accordance with Section 3 of Agreement, (ii) a Party defaults in the observance or performance by a Party of any such Party’s material covenants or agreements in this Agreement (other than a default in a payment obligation) and such default continues uncorrected for thirty (30) Business Days after written notice is given to such Party failing to perform its covenants or agreements under this Agreement, provided, however, that for such events which require more than thirty (30) business days, to cure, then the defaulting Party shall have such additional time as may reasonably be required to effect such cure provided that the defaulting Party diligently and continuously pursues such cure; or; (iii) either Party makes an assignment or any general arrangement for the benefit of creditors or files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any
bankruptcy or similar law for the protection of creditors or has such a petition filed against it or otherwise becomes bankrupt or insolvent (however evidenced) or is unable to pay its debts as they fall due.

c) Effect of Termination. Upon the effective date of expiration or termination of this Agreement: (i) Contractor may immediately cease providing services hereunder; and (b) any and all payment obligations of SVCEA under this agreement will become due immediately. Upon such expiration of termination, and upon request of SVCEA, Contractor shall reasonably cooperate with SVCEA to ensure a prompt and efficient transfer of all data, documents and other materials to SVCEA or a new service provider in a manner such as to minimize the impact of expiration or termination on SVCEA’s customers. SVCEA agrees to pay Contractor compensation for services performed in connection of such transfer, to the extent not contemplated in the Agreement.

d) SVCEA reserves the right to transition all call center duties from Contractor to SVCEA, with at least ninety (90) calendar days’ notice to Contractor. SVCEA shall be responsible for any additional actual infrastructural or actual programming costs incurred by Contractor to facilitate this transition in accordance with the rates identified in Exhibit B. Contractor will invoice the actual costs to SVCEA without any added charges.

e) Notwithstanding any other provision of this Agreement, SVCEA reserves the right to transition call center duties from Contractor to SVCEA in phases, according to all needs and demands related to all tiers, overflow call center options, and third-party translation services. SVCEA shall be responsible for any additional actual infrastructural or actual programming costs incurred by Contractor to facilitate this transition. Contractor will invoice the actual costs to SVCEA in accordance with the rates identified in Exhibit B and without any added charges.

5.5 Transition At Time Of Termination Or Expiry

a) In the event of termination or expiry of this Agreement, in whole or in part, Contractor and SVCEA shall take commercially reasonable steps sufficient to ensure the orderly and effective transition of the services to SVCEA and/or a successor contractor ("Transition Assistance").

b) All references in this Section to termination or expiry shall include partial and complete termination or expiry, cancellation or cessation unless the context otherwise requires.

c) In relation to any partial termination or expiry the provisions of this Section shall apply only to those parts of the services subject to such partial termination or expiry.

d) Each reference to an obligation of Contractor under this Section shall be deemed to include an obligation on Contractor to require all relevant sub-contractors to comply with such obligation.

5.5.1 Transition Assistance Period

The Transition Assistance Period means a period of such duration as is determined by SVCEA but in no event longer than one hundred eighty (180) calendar days commencing on the earlier of:

a) service of notice to terminate this Agreement;

b) in case of a repudiatory breach of this Agreement, the date on which the non-defaulting party accepts such repudiatory breach as terminating this Agreement; or

c) the expiry of the initial term or any extended term (as the case may be).
5.5.2 Transition Assistance Election

During the Transition Assistance Period, the services will be discontinued or transitioned to a Successor Contractor at SVCEA’s discretion and such transition shall then be performed in accordance with the Transition Plan required by subsection 5.5.3 below and with this Section. All the terms and conditions of this Agreement will remain unchanged during the Transition Assistance Period (including but not limited to rates and charges, discounts, credits, waivers, service levels and key personnel).

5.5.3 Transition Assistance Planning

Promptly following the commencement of the Transition Assistance Period (and in any event within fourteen (14) calendar days of notice by either Party), or earlier at the request of SVCEA, Contractor shall develop, with reasonable assistance from SVCEA, a written transition assistance plan specifying in detail all activities, and the corresponding timing of such activities, necessary to facilitate an orderly and effective transition of the Services ("Transition Plan"). The Transition Plan shall include sections setting out in detail how Contractor will satisfy the specific obligations described in paragraph 5.5.4 below.

5.5.4 Transition Assistance Obligations for Call Center Services (Exhibit A, Section 4)

The Transition Assistance provided by Contractor during the Transition Assistance Period shall include the following services at no additional charge to SVCEA:

a) providing SVCEA or its designees with documentation relating to the services that are necessary or useful to enable the orderly and effective transition of the services to SVCEA and/or a successor contractor;

b) allowing SVCEA to observe Contractor’s provision of the services;

c) providing SVCEA and/or a successor contractor with reasonable access to relevant Contractor staff in order to facilitate knowledge transfer, which shall include explanations from such staff of the services, the manner of their provision and reasonably related documentation and providing answers to reasonable questions from SVCEA on the same, provided that Contractor shall not be required to disclose any of commercially sensitive information as part of this process unless such information is necessary for performance of the services by SVCEA or a successor contractor following the expiry of the Transition Assistance Period;

d) Contractor shall provide Transition Assistance in such a manner as to ensure the uninterrupted performance of the services, with no degradation in quality, and avoid disruption in the operation until the successor begins providing services.

5.5.5 Transition Assistance Obligations for Data Manager Services (Exhibit A, Sections 1, 2, 3, 5, 6 and 7)

a) Contractor shall provide to SVCEA data and documentation, in a format or formats acceptable to SVCEA, and other information reasonably requested by SVCEA in connection with the transition that is sufficient to enable successor contractor to fully assume the provision of the transitioning services.

b) The processes, systems, and people related to the Data Manager Services within this agreement that are unique to Contractor, will not be included in the Transition Assistance Planning.

6. Contract Materials

Upon the expiration of this Agreement, or in the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and other written materials (collectively referred to as "contract materials") provided by SVCEA to Contractor under this Agreement shall remain the property of SVCEA.
and shall be promptly returned to SVCEA. Upon termination, Contractor may make and retain a copy of such contract materials if permitted by law.

7. **Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of SVCEA and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of SVCEA employees. Contractor understands that SVCEA is a Joint Powers Authority made up of the County of Santa Clara and eleven towns and cities within the County. Contractor further understands that this Agreement is made solely with SVCEA and not with any member jurisdiction of the JPA. Contractor further understands and agrees that, pursuant to the Joint Powers Authority Agreement and California law, the debts, liabilities and obligations of SVCEA are its sole responsibility and not the responsibility of its constituent member jurisdictions. Contractor further agrees that it will not seek to recover, or cooperate with any other person or entity to seek to recover, any debt, liability or obligation related to this Agreement from any constituent member jurisdiction of SVCEA. Each Party represents and warrants to the other that: (i) it is validly existing and in good standing in the jurisdiction of its formation; (ii) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents or any agreements to which it is a party or any law applicable to it; (iii) it has not filed, does not plan to file, nor has it had filed against it, any bankruptcy proceeding; (iv) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms (subject to any equitable defenses); and (v) it is not a party to or subject to any commitment that may restrict or interfere with this Agreement.

8. **Hold Harmless**

a. **General Hold Harmless**

To the extent permitted by law, Contractor shall indemnify and save harmless SVCEA and its board members, officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from or arising out of this Agreement, the performance of any work or services or actions taken under this Agreement, or payments made pursuant to this Agreement, including any claim, suit, or action brought for, or on account of, any of the following, provided that they arise out of acts or omission of the Contractor, Contractor's employees or subcontractors:

(A) Injuries to or death of any person, including Contractor or its employees/officers/agents;

(B) Damage to any property of any kind whatsoever and to whomsoever belonging;

(C) Any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) Any other loss or cost. However, Contractor's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which SVCEA has been found in a court of competent jurisdiction to be liable by reason of its own negligence or willful misconduct, or under a strict liability theory.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.
This provision shall apply only to the extent of the Contractor's acts and omissions, which shall be deemed to include any contractor, subcontractor, and/or employee of the Contractor, including any person or entity under Contractor's direction and control.

b. Intellectual Property Indemnification

Contractor hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services it provides under this Agreement and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights") except as otherwise expressly provided by this Agreement. Contractor warrants that the services it provides under this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Contractor shall defend, indemnify, and hold harmless SVCEA from and against all claims, actions, liabilities, costs, damages, losses, and expenses (including reasonable attorney fees) arising out of or related to any claim by a third party that the services provided under this Agreement infringe or violate any third-party's IP Rights provided any such right is enforceable in the United States. Contractor's duty to defend, indemnify, and hold harmless under this subsection applies only provided that: (a) SVCEA notifies Contractor promptly in writing of any notice of any such third-party claim; (b) SVCEA cooperates with Contractor, at Contractor's expense, in all reasonable respects in connection with the investigation and defense of any such third-party claim; (c) Contractor retains sole control of the defense of any action on any such claim and all negotiations for its settlement or compromise (provided Contractor shall not have the right to settle any criminal action, suit, or proceeding without SVCEA's prior written consent, not to be unreasonably withheld, and provided further that any settlement permitted under this Section shall not impose any financial or other obligation on SVCEA, impair any right of SVCEA, or contain any stipulation, admission, or acknowledgement of wrongdoing on the part of SVCEA without SVCEA's prior written consent, not to be unreasonably withheld); and (d) should services under this Agreement become, or in Contractor's opinion be likely to become, the subject of such a claim, or in the event such a third party claim or threatened claim causes SVCEA's reasonable use of the services under this Agreement to be seriously endangered or disrupted, Contractor shall, at Contractor's expense, either: (i) procure for SVCEA the right to continue using the services without infringement or (ii) replace or modify, subject to SVCEA's prior approval which shall not be unreasonably withheld, conditioned or delayed, the services so that they become non-infringing but remain functionally equivalent.

Notwithstanding anything in this Section to the contrary, Contractor will have no obligation or liability to SVCEA under this subsection to the extent any otherwise covered claim is based upon: (a) any aspects of the services under this Agreement which have been modified by or for SVCEA (other than modification performed by, or at the direction of, Contractor or performed without the prior, express notification to SVCEA) in such a way as to cause the alleged infringement at issue; and/or (b) any aspects of the services under this Agreement which have been used by SVCEA in a manner prohibited by this Agreement.

The duty of Contractor to indemnify and save harmless as set forth by this subsection shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

9. Assignability and Subcontracting

a) Except as otherwise provided in subsection (b), below Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of SVCEA, which shall not be unreasonably be withheld, conditioned or delayed. Any such
assignment or subcontract without SVCEA's prior written consent shall give SVCEA the right to automatically and immediately terminate this Agreement without penalty or advance notice.

b) SVCEA consents to Contractor subcontracting with AnswerNet for the purposes of providing the services described in Exhibit A to this Agreement.

10. Payment of Permits/Licenses

Contractor bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Contractor's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

11. Insurance

a. General Requirements

Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by SVCEA's Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish SVCEA with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. Contractor shall provide notice in writing, to SVCEA of any pending material change in the limits of liability or of any cancellation or material modification of the policy. Such notice shall be provided to SVCEA within thirty (30) calendar days of Contractor receiving such notice. Such insurance and certificates, which do not limit Contractor'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) calendar days' advance written notice to Silicon Valley Clean Energy Authority, Attention: Chief Executive Officer."

b. Workers' Compensation and Employer's Liability Insurance

Contractor shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

c. Liability Insurance

Contractor shall take out and maintain during the term of this Agreement commercial general liability insurance that shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall include, at a minimum, the following:
Coverage at least as broad as set forth in Insurance Services Office (herein "ISO") Commercial General Liability coverage. (Occurrence Form CG 0001) with policy limits not less than the following:

$1,000,000 each occurrence (combined single limit);

$2,000,000 general aggregate

In addition, Contractor shall take out and maintain during the term of this Agreement, a professional liability policy that shall cover any and all damages, liabilities, financial losses and costs incurred as a result of Contractor's professional errors and omissions or malpractice. This policy shall include a coverage limit of at least One Million Dollars ($1,000,000) per claim and Two Million Dollars ($2,000,000) annual aggregate for all claims.

Except for the professional liability insurance policy described above, SVCEA and its officers, agents, employees, and servants shall be named as additional insured on any policies of insurance required by this Agreement. All insurance policies required by this Agreement, including the professional liability insurance policy, shall also contain a provision that (a) the insurance afforded thereby to SVCEA and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the SVCEA or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, SVCEA, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

d. Subrogation Waiver

Contractor agrees that in the event of loss due to any of the perils for which it has agreed to provide insurance, Contractor shall look solely to its insurance for recovery. Contractor hereby grants to SVCEA, on behalf of any insurer providing comprehensive general or automotive liability insurance to either Contractor or SVCEA with respect to the services of Contractor herein, a waiver of any right to subrogation which any such insurer of Contractor may acquire against SVCE by virtue of the payment of any loss under such insurance.

12. Compliance With Laws

All services to be performed by Contractor pursuant to this Agreement shall, to the extent applicable to Contractor or Contractor's performance, be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or other governmental financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.
Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

13. Non-Discrimination

Contractor agrees that it shall not harass or discriminate against a job applicant, a Contractor's employee or subcontractor, a SVCEA employee, or any customers of SVCEA, nor shall any person be denied any services provided pursuant to this Agreement on the basis of race, religion, color, national origin, ancestry, disability, marital status, pregnancy, sex, age, sexual orientation, or any other legally protected class. In the event that Contractor has been found to have engaged in any discriminatory conduct prohibited by this Section or Section 12 of this Agreement, by a court or other governmental body with jurisdiction over such matter, from which all appeals have been exhausted, such violation be considered a Default under this Agreement. Contractor shall notify SVCEA of such findings as soon as reasonably possible upon Contractor receiving such notice itself.

14. Retention of Records; Right to Monitor and Audit

a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after SVCEA makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by SVCEA, a Federal grantor agency, and the State of California.

b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by SVCEA.

c) Contractor agrees upon reasonable notice to provide to SVCEA, to any Federal or State department having monitoring or review authority, to SVCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine and make and retain copies of all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

d) Contractor agrees to maintain and make available to SVCEA, during regular business hours, accurate books and accounting records relating to its work under this Agreement. SVCEA and Contractor agree that, insofar as Contractor maintains an active trading floor, any such audit, examination, or review, will be conducted off-site at a location mutually acceptable to the Parties, off of Contractor's premises. SVCEA and Contractor agree to work to minimize the impact of any such audit on Contractor's operations. Contractor will, upon request, provide SVCEA with copies to audit, examine and make excerpts and transcripts from such books and records, and to make audits thereof of data related to all other matters covered by this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than three (3) years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon SVCEA by this Section.

15. Entire Agreement; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights,
duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

16. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the Santa Clara County Superior Court.

17. Mediation Prior to Filing a Lawsuit

Except as provided in this Section, the Parties agree that any and all disputes, claims or controversies arising out of or relating to this Agreement shall be submitted to JAMS, or its successor, or any other mutually agreed mediator for mediation prior to the filing of a lawsuit.

Either Party may commence such mediation by providing the other Party a written request for mediation-setting forth the subject of the dispute and the relief requested. Such mediation will conclude no later than forty-five (45) calendar days from the date that such written request was received by the other Party, unless such date should fall on a Saturday, Sunday or recognized holiday, in which case the mediation will conclude by 6 PM, Pacific Prevailing Time on the next business day.

The Parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in scheduling the mediation proceedings. The Parties agree that they will participate in the mediation in good faith and that they will share equally in its costs, provided, however, that each Party will bear the cost of its own attorneys.

All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Parties, their agents, employees, experts and attorneys, and by the mediator or any of the mediators, employees, are confidential, privileged and inadmissible for any purpose, including impeachment, in any other proceeding involving the Parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

Either Party to this Agreement may: (1) seek judicial equitable relief, or other equitable relief available to it under applicable statutory and/or case law including but not limited to injunctive relief; (2) exercise any self-help rights; and/or (3) any other rights or remedies available to it by contract or applicable statutory or case law, whether such occurs before, during or after the pendency of any negotiation or mediation, provided, however, in the case of (3) that (i) the Party availing itself of its rights and remedies so described will take only such actions as are necessary to preserve it rights during the pendency of the mediation, and (ii) all applicable statutes of limitation and defenses based upon the passage of time shall be tolled during the pendency of the mediation. The Parties will take such action, if any, required to effectuate such tolling.

The institution and maintenance of an action for judicial relief or pursuit of provisional or ancillary rights or remedies or exercise of self-help remedies, all as provided herein, and the pursuit of any such rights or
remedies, shall not constitute a waiver of the right or obligation of any Party, including the plaintiff seeking judicial relief or remedies, to engage in the mediation pursuant to this Article.

18. **Information Security**

a) General Information Security. All facilities, devices, and methods used by Contractor to store and process SVCEA data will adhere to industry standard best practices, including appropriate administrative, technical, and physical security measures, to protect against threats or hazards to the security or integrity of SVCEA data and to protect against the unauthorized access, disclosure, alteration, use, encryption, corruption, destruction, and loss of SVCEA data. Such measures will include industry standard and up-to-date security tools and technologies such as antivirus protections and intrusion detection methods designed to prevent all manner of breach including but not limited to hacking, phishing, and ransomware. SVCEA data includes customer information, including that provided to Contractor by PG&E.

b) Network Security. Contractor agrees at all times to maintain network security that (at a minimum) includes network firewall provisioning, intrusion detection, and regular vulnerability assessments. Contractor agrees to maintain network security that conforms to generally recognized industry standards and best practices.

c) Application Security. Contractor agrees at all times to provide, maintain, and support its software and subsequent updates, upgrades, and bug fixes according to generally recognized industry standards and best practices such that the software is, and remains secure from known and reasonably anticipated vulnerabilities.

d) Data Security. Contractor agrees to preserve the confidentiality, integrity, and accessibility of SVCEA data with administrative, technical, and physical measures that conform to generally recognized industry standards and best practices. Maintenance of a data security includes but is not limited to the timely application of patches, fixes, and updates to operating systems and applications as provided by vendor or open source support. Data backups should be stored on a separate server and network to insure if a data breach occurs, data can be easily restored. If possible, data backups should be stored in a separate location.

e) Data Storage. Contractor agrees that any and all SVCEA data will be stored, processed, and maintained according to generally recognized industry standards and best practices.

f) Data Transmission. Contractor agrees that any and all electronic transmission or exchange of system and application data with SVCEA and/or any other parties expressly designated by SVCEA shall take place via industry standard secure means.

g) Data Encryption. Contractor agrees to store all SVCEA backup data as part of its designated backup and recovery process in encrypted form, using a commercially supported encryption solution.

h) Data Re-Use. Unless otherwise specifically authorized by SVCEA by writing and in advance of such use, Contractor shall not use any SVCEA data for any purpose other than those required or specifically permitted by the Agreement.
i) Data Ownership. All SVCEA data shall continue to be the property of and under the control of SVCEA.

j) End of Agreement Data Handling. Contractor certifies that SVCEA data shall not be retained or available to Contractor upon completion of the term of the Agreement. Within ninety (90) calendar days of completion of the term of the Agreement, unless this timeline is extended by mutual written agreement, SVCEA data in the possession of Contractor shall be returned and/or destroyed. Where reasonably feasible, Contractor shall, upon request of SVCEA, return all SVCEA data to SVCEA in a format acceptable to SVCEA or if return is not feasible as determined by SVCEA in advance written notice to Contractor, destroy any and all SVCEA data within the timelines specified within this section.

k) Security Breach Notification to SVCEA. Contractor shall report, orally and in writing, to SVCEA any use, disclosure, and/or breach of SVCEA data not authorized by this Agreement or otherwise authorized in writing by SVCEA, including any reasonable belief that an unauthorized individual has accessed SVCEA data and any episode within which SVCEA data has been breached or subjected to a cyber-extortion threat. Contractor shall make the report to SVCEA immediately upon discovery of the event, but in no case more than one (1) business day after Contractor reasonably believes there has been such unauthorized use or disclosure. Contractor’s notice shall identify the nature of the unauthorized use or disclosure, the data used, disclosed, or held for ransom, who made the unauthorized use or received the data if known, what Contractor has done to or shall do to mitigate any effect of the unauthorized use and/or breach, and what corrective action Contractor will take to prevent future similar unauthorized uses, disclosures, or breaches. Contractor shall provide such other information, including a written report, as reasonably requested by SVCEA.

l) Security Breach Notification to Impacted Persons. Contractor agrees to comply with all applicable laws that require the notification of individuals, businesses, and entities, in the event of the unauthorized release, acquisition, or other event requiring notification. Contractor further agrees to assume full responsibility of informing such individuals, businesses, and/or entities of such events in accordance with applicable law.

m) Data Segregation. Contractor agrees to store and maintain all SVCEA data in a manner that preserves its integrity and separation from any data that Contractor may obtain and store for its other clients. Contractor shall not commingle SVCEA data with data obtained from other sources.

n) Contractor and its employees, contractors, officers, agents or successors shall comply with all applicable data security laws and regulations.

o) Contractor shall maintain customer data in compliance with CPUC Decision D.12-08-045, the PG&E Non-Disclosure Agreement, and any customer privacy policy adopted by SVCEA, including a daily backup.

p) Contractor shall maintain NES Security Breach Policy attached hereto as Exhibit C and provide any updates to the Policy within 7 calendar days, excluding changes to the Covered Information Users Lists.
19. **Notices**

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of SVCEA, to:

Name/Title: Tom Habashi, Chief Executive Officer  
Address: 333 W. El Camino Real, Suite 290, Sunnyvale, CA 94087  
Telephone: 408-730-7742  
Email: tomh@svcleanenergy.org

In the case of Contractor, to:

Name/Title: Drake Welch, Vice President – Customer Care  
Address: 401 West A Street, Suite 500, San Diego, CA 92101  
Telephone: 619-684-8039  
Email: dwelch@noblesolutions.com

Remainder of this page intentionally left blank.
21. **Signatures**

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities on whose behalf they are signing.

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

Silicon Valley Clean Energy Authority

By: ____________________________

Tom Habashi
Chief Executive Officer

Date: 12/2/2016

Noble Americas Energy Solutions LLC.

By: ____________________________

James M. Wood
President

Its: President

Date: ____________________________

APPROVED AS TO FORM:

_______________________________

Counsel for Authority

ATTEST:

_______________________________

Authority Clerk
Exhibit A

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

1. Electronic Data Exchange Services:
   a. Process Community Choice Aggregation Service Requests (CCASRs) from/to PG&E which specify the changes to a customer's choice of services such as enrollment in Community Choice Aggregation (CCA) programs, customer initiated returns to bundled utility service or customer initiated returns to direct access service (814 Electronic Data Interchange Files).
   b. Obtain all customer usage data from PG&E's Metered Data Management Agent (MDMA) server to allow for timely billing (according to PG&E requirements) of each customer (867 Electronic Data Interchange Files).
   c. Maintain and communicate the amount to be billed by PG&E for services provided by SVCEA (810 Electronic Data Interchange Files).
   d. Receive and maintain all data related to payment transactions toward CCA charges from PG&E after payment is received by PG&E from customers (820 Electronic Data Interchange Files).
   e. Process CCASRs with PG&E when customer status changes.
   f. Participate in the Customer Data Acquisition Program (CDA) beta testing for SmartMeter data sharing as SVCEA's Data Manager.
   g. Obtain customer usage data that would allow SVCEA to bill customers using generation rate structures (e.g., time-of-use periods) that are different from those reflected in the applicable PG&E rate schedule, or provide a comparable solution within 18 months of execution of this agreement.

2. Qualified Reporting Entity (QRE) Services:
   a. Consistent with terms and conditions included in the Qualified Reporting Entity Services Agreement(s) between SVCEA and Contractor, serve as QRE for up to twenty locally situated, small-scale renewable generators supplying electric energy to SVCEA through its feed-in tariff (FIT). In addition to the above, Contractor will perform QRE Services for an additional ten renewable generators under a one-time upfront charge of $2,000 per generator to SVCEA, payable the month after the first month of QRE Service.
   b. Submit a monthly generation extract file to Western Renewable Energy Generation Information System (WREGIS) on SVCEA's behalf, which will conform to the characteristics and data requirements set forth in the WREGIS Interface Control Document for Qualified Reporting Entities.
   c. Receive applicable electric meter data from PG&E for SVCEA FIT projects, consistent with PG&E's applicable meter servicing agreement, and provide such data to SVCEA for purposes of performance tracking and invoice creation.

3. Customer Information System:
   a. Establish an operational Customer Relationship Management System ("CRM") within sixty (60) calendar days of contract execution. Establish an operational Customer Information System within sixty (60) calendar days of contract execution.
   b. Maintain an accurate database of all eligible accounts that are located in the SVCEA service area and identify each account's enrollment status (opt out, program enrollment), rate tariff election(s), payment history, collection status, on-site generating capacity, if applicable, and any correspondence with customer as well as other information that may become necessary to effectively administer SVCEA as mutually agreed to by parties from time to time.
   c. Allow SVCEA to have functional access to the online database to add customer interactions and other account notes.
   d. Allow SVCEA to view customer email or written letter correspondence within CRM.
   e. Maintain and provide as-needed historical usage data on all customers for a time period equal to the lesser of either (a) the start of customer service to present or (b) five (5) years.
f. Until a cloud-based storage solutions for SmartMeter historical usage data is implemented, store SmartMeter historical usage data, as received by the MDMA, for a 48 hour window.

g. Maintain viewing access, available to appropriate SVCEA staff, to view PG&E bills for SVCEA customers, including supporting the intuitive parsing and labeling of PG&E provided files. Maintain accessible archive of billing records for all SVCEA customers from the start of SVCEA service or a period of no less than five (5) years.

h. Maintain and communicate as needed records of customers who have been offered service with SVCEA but have elected to opt out, either before or after starting service with SVCEA.

i. Maintain and communicate as needed records of Net Energy Metering credits and generation data for customers to be posted on bill and settled annually.

j. When requested by SVCEA, place program charges on the relevant customer account, identified by Service Agreement ID (Said).

k. Identify customers participating in various SVCEA programs in database.

l. Include various program payment information in all relevant reports.

m. Perform quarterly SVCEA program reviews to assess appropriate customer charge level.

n. Maintain all customer data according to SVCEA's customer privacy policy and the requirements of relevant California Public Utilities Commission Decisions including D.12-08-045, including a daily backup process.

o. Maintain a Data Management Provider Security Breach Policy.

4. Customer Call Center:

a. Provide professional Interactive Voice Response (IVR) recordings for CCA customer call center.

b. Provide option for IVR self-service and track how many customers start and complete self-service options without live-agent assistance.

c. Staff a call center, during any CCA Statutory Enrollment Period, 24 hours a day 7 days a week to process opt out requests.

d. Staff a call center during Non-Enrollment Period between the hours of 8 AM and 5 PM PST Monday through Friday, excepting SVCEA and PG&E holidays. Provide data on call volumes by day of week, time of day, and nature of request, with a summary of percentage of calls received during various times of day in order to evaluate potential call center hours of operation. Upon request by SVCEA, Contractor agrees to discuss in good faith an increase in the operating hours of the call center and any resulting increase in costs to SVCEA. Any mutually agreed upon changes in the operating hours and costs shall be set forth in an amendment to this Agreement.

e. Provide sufficient call center staffing to meet the requirements set forth herein, including designating SVCEA specific agents to the extent needed to provide for full functionality and a customer call center supervisor that will serve as the main point of contact between SVCEA and customer call center staff.

f. Provide sufficient number of Data Manager Experts available to manage escalated calls between the hours of 8 AM and 5 PM PST Monday through Friday, excluding SVCEA and PG&E holidays ("Regular Business Hours"). For the purpose of Exhibit A, Data Manager Experts are designated analyst trained to resolved escalated CCA customer-specific questions related to metered usage, CCA rates including NEM, account status, payments, and program participation.

g. Contractor will adhere to the following performance standards during Non-Enrollment Periods:

i. A minimum of 80% of all calls will be answered within 45 seconds. For the purpose of Exhibit A, the time to answer begins once the IVR system transfers the call to call queue and ends once a live agent takes the call.

ii. A minimum of 98% of calls will be answered within 3 minutes.

iii. 100% of voicemail messages requiring response receive an acknowledgment response within one (1) business day.

iv. 95% of voicemail messages requiring response answered or sent to SVCEA (as directed by SVCEA) within one (1) business day.

v. 100% of voicemail messages requiring response answered or sent to SVCEA (as directed by SVCEA) within three (3) business days.
vi. 100% of emails receive an immediate automated acknowledgement.

vii. 95% of emails requiring customized response answered or sent to SVCEA (as directed by SVCEA) within one (1) business day.

viii. 100% of emails requiring customized response answered or sent to SVCEA (as directed by SVCEA) within three (3) business days.

ix. Achieve a no greater than 5% abandon rate for all calls.

h. Contractor will adhere to the following performance standards during Enrollment Periods:
   i. A minimum of 75% of all calls will be answered within 60 seconds.
   ii. A minimum of 95% of calls will be answered within 3 minutes.
   iii. 100% of voicemail messages requiring response receive an acknowledgment response within one (1) business day.
   iv. 95% of voicemail messages requiring response answered or sent to SVCEA (as directed by SVCEA) within one (1) business day.
   v. 100% of voicemail messages requiring response answered or sent to SVCEA (as directed by SVCEA) within three (3) business days.
   vi. 100% of emails receive an immediate automated acknowledgement.
   vii. 95% of emails requiring customized response answered or sent to SVCEA (as directed by SVCEA) within one (1) business day.
   viii. 100% of emails requiring customized response answered or sent to SVCEA (as directed by SVCEA) within three (3) business days.
   ix. Achieve a no greater than 10% abandon rate for all calls.

i. Contractor shall provide monthly reports, which will demonstrate whether these performance standards have been met.

j. Provide callers with the estimated hold time, if applicable. Provide an automated 'call back' option for callers who will be put on hold for an estimated five minutes or longer.

k. Record all inbound calls and make recordings available to SVCEA staff upon request. Maintain an archive of such recorded calls for a minimum period of 24 months.

l. Track call center contact quality with criteria including:
   i. Use of appropriate greetings and other call center scripts
   ii. Courtesy and professionalism
   iii. Capturing key customer data
   iv. Providing customers with correct and relevant information
   v. First-contact resolution
   vi. Accuracy in data entry and call coding
   vii. Grammar and spelling in text communication (email and chat)

m. Evaluate customer satisfaction through randomized voluntary customer surveys that ask general questions about call quality, call resolution, and how satisfied the customer was with the service received.

n. Receive calls from SVCEA customers referred to Contractor by PG&E and receive calls from SVCEA customers choosing to contact Contractor directly without referral from PG&E.

o. Provide the call center number on PG&E invoice allowing SVCEA customers to contact the call center. Collect and/or confirm current email, mailing address and phone number of customers and add to or update database during inbound call.

p. Collect permission (via voice recording, email request, or electronic form submittal) from customers to send electronic correspondence instead of printed mail.

q. Respond to telephone inquiries from SVCEA customers using a script developed and updated quarterly by SVCEA. For questions not addressed within the script, refer inquiries either back to PG&E or to SVCEA.

r. Respond to customer inquiries within 24 hours, excluding weekends and holidays, including inquiries received either through telephone calls, email, fax or web-portal.

s. Offer bi-annual cross training to PG&E call center in coordination with SVCEA.

t. Participate in coordinative meetings, at SVCEA's request, to promote the resolution of any customer service issues. Such meetings may include SVCEA's management/staff and may require on-site participation by contractor's management/staff.

u. Provide monthly status reports during the first week of each month.
v. Provide weekly status reports during Statutory Enrollment Periods.
w. Use commercially reasonable efforts to make Spanish speaking call center staff available to
customers during Regular Business Hours.
x. Provide translation services for inbound calls for the following languages: Spanish, Cantonese,
Mandarin, Tagalog, and Vietnamese.
y. Create and maintain online forms for the SVCEA website so that customers may perform
program related tasks including, but not limited to, opt-up, opt-down, or opt-out from the Silicon
Valley Clean Energy website. These program changes will be integrated into the Customer
Relationship Management system on a daily or more frequent basis.
z. At SVCEA’s request, host SVCEA meetings with call center management and representatives
on a bi-monthly basis.

aa. Forward inbound calls regarding matters under the control of SVCEA, to SVCEA. Forward
inbound calls regarding matters under the control of PG&E, to PG&E.

bb. Capture customer communication in CRM in accordance with a protocol for receiving and
responding to customer complaints, including a tracking and reporting program. Contractor
shall provide said protocol to SVCEA for its review within sixty (60) calendar days of execution
of this Agreement.

5. Billing Administration:
   a. Maintain a table of rate schedules offered by SVCEA to its customers.
   b. Send certain SVCEA program charges for non-SVCEA customers, when supported by PG&E,
      based on information provided to Contractor by SVCEA.
   c. Send certain SVCEA program charges as a separate line item to PG&E for placement on
      monthly bill during term of repayment.
   d. Apply PG&E account usage for all SVCEA customers against applicable rate to allow for
      customer billing.
   e. Review application of SVCEA rates to PG&E accounts to ensure that the proper rates are
      applied to the accounts.
   f. Timely submit billing information for each customer to PG&E to meet PG&E’s billing window.
   g. Use commercially reasonable efforts to remedy billing errors for any customer in a timely
      manner, no more than two billing cycles.
   h. Assist with annual settlement process for Net Energy Metering customers by identifying eligible
      customers, providing accrued charges and credits, and providing mailing list to CCA
      designated printer.
   i. Provide customer mailing list to SVCEA designated printer for new move-in customer notices
      and opt out confirmation letters routinely within 7 calendar days of enrollment or opt out.
   j. Send a SVCEA provided letter to customers that are overdue. If no payment is received from
      the customer after a certain amount of time, issue a CCASR to return customer to PG&E.
   k. Contractor will adhere to the following performance standards for this service:
      i. 99% of SVCEA charges sent to PG&E free of Contractor error on a monthly basis.
      ii. 99.6% of SVCEA charges sent to PG&E free of Contractor error on a rolling 12 month
          basis.
      iii. 99% of SVCEA charges sent to PG&E will be processed within 3 business days of
           Contractor loading validated usage data from PG&E EDI files.

6. Settlement Quality Meter Data (SQMD):
   a. For each meter, receive either interval meter reads (usage per fifteen minutes) or a monthly
      read for scalar meters and SmartMeters. If a scalar meter or SmartMeter, apply the
      appropriate PG&E dynamic profiles to shape the usage, quantifying usage for each hourly
      interval.
   b. After hourly reads (fifteen minute interval reads are summed to the hourly interval) for each
      meter are quantified, loss adjust the usage, per meter and interval, with the appropriate PG&E
      dynamic loss factor based on voltage level of the account. If after performing quality control
      and working with PG&E to remedy missing or incorrect usage, there remains any missing
      reads or reads deemed inaccurate, estimate usage for the respective meter based on historical
      usage.
c. Aggregate usage for all meters by hour and trade date and provide to Silicon Valley Clean Energy's designated Scheduling Coordinator or directly to CAISO for T+8 and T+48 submissions.

d. Submissions for T+172B (Resettlement) are performed as needed per an agreed upon threshold and process between SVCEA, designated Scheduling Coordinator, and contractor.

e. SVCEA agrees that Contractor shall have no responsibility for any charges or penalties assessed by the CAISO associated with the SQMD under an indemnity or otherwise.

f. Contractor shall prepare the SQMD using the same level of care that Contractor would use if preparing the SQMD for its own account as a Load Serving Entity (LSE) however, Contractor hereby disclaims in advance that any representation is made or intended that the SQMD is necessarily complete, or free from error.

7. Reporting

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<td>Invoice Summary Report</td>
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i. Ensure monthly status reports are provided during the first week of each month.

ii. Ensure weekly status reports are provided during all other enrollment periods.

8. Call Center Location

Contractor will ensure that the majority of baseload calls will be answered by personnel physically located within the nine county San Francisco Bay Area. Complex calls and call escalations may be routed to Data Manager Experts located in San Diego. Overflow and after-hour support will be located in Northern California. In no event, will any other services required by this Agreement be performed by employees or agents located outside of the United States.

9. Deliverables

Contractor understands that SVCEA has a strict timeline for launch of its program. Attached as Attachment 1 to Exhibit A is a flow chart version of that timeline. Contractor is ready and able and agrees to perform the services under this Agreement in a manner that will allow SVCEA to meet its timeline, which includes program launch (delivery of power to customers) in April 2017. As the parties agree that time is of the
essence, both Contractor and SVCEA understand that each has deliverables and dependencies on each other to meet the program launch date. Contractor agrees that a failure to perform services in a manner that allows SVCEA to meet its timeline, unless such delay is caused by SVCEA, shall constitute a material breach of this agreement.

10. Definitions
   a. Enrollment Period shall be defined as the three months prior to an automatic mass enrollment of customers into the SVCEA program, the month in which the mass enrollment occurs, and the two months following the mass enrollment. The Enrollment Period takes place over a six month period, beginning with the first Opt-out notice and ending with the completion of the 60-day follow-up notification period.

   b. Non-Enrollment Period shall be defined as any period outside of an Enrollment Period.
### SVCEA Projected Implementation Timeline

<table>
<thead>
<tr>
<th>Timeline</th>
<th>Phase 1 - April 2017</th>
<th>Phase 2 - July 2017</th>
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Exhibit B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, SVCEA shall pay Contractor based on the following fee schedule and terms:

Contractor's payment for the services listed in Exhibit A shall be $1.15 per active meter per month for a period of one year following the date on which the first SVCEA customer meter becomes active, and, thereafter, shall be $1.10 per active meter per month. Travel and all start-up costs are included in this price. Contractor will not invoice SVCEA nor will SVCEA owe payments to Contractor sooner than sixty (60) calendar days following the date on which the first SVCEA customer meter becomes active.

Contractor's payment in effect for the services listed in Exhibit A shall escalate annually beginning on April 1, 2020 by the Consumer Price Index for the San Francisco-Oakland-San Jose Area or 3%, whichever is lower.

Notwithstanding any other provision contained in this Agreement, in the event that Contractor enters into an agreement with any other party to provide substantially all of the services listed in Exhibit A at a lower rate per active meter per month than provided herein, Contractor's active meter per month rate provided under this Agreement shall be reduced to match said lower rate. Contractor shall notify SVCEA within five business days of execution of any such agreement and the same reduced rate shall be applicable to SVCEA under this Agreement one month following such rate being charged to the other party. The matched rate shall take precedence over the rate escalation described above and shall not be applied retroactively to any months preceding such rate change.

In the event that SVCEA elects to remove full call center services, the fee shall be reduced by $0.15 per active meter per month.

The Fees defined herein include only those service and items expressly set forth in Exhibit A of this Agreement. Unless otherwise agreed to by SVCEA and the Contractor, any additional deliverable provided by Contractor to SVCEA, at SCVEA's express written request, shall be billed at a labor rate of $150.00 per hour plus any out-of-pocket costs incurred by Contractor without mark-up.
EXHIBIT C

Noble Americas Energy Solutions

Covered Information Security Breach Policy and Procedure as Agent for Community Choice Aggregators

Updated September 29, 2016
# Table of Contents

## Introduction
- Scope ........................................................................................................ 3
- Related Documents ..................................................................................... 3
- Terms and Definitions .................................................................................. 3
- Responsible Parties ..................................................................................... 4

## Procedure
- Detecting and Reporting of Security Breaches .............................................. 5
- Security Breach Handling Procedure ............................................................ 5

## Attachments
- Covered Information Users List (Revenue Manager) .................................. 7
- Covered Information Users List (Microsoft Dynamics CRM) ...................... 8
- CCA Privacy Policy
Introduction

Scope

This document outlines the Procedure for detecting and reporting security breaches that impact Community Choice Aggregation ("CCA") clients in regard to their customers' Covered Information.

The Procedure applies to the below listed activities, which constitute a Security Breach of Covered Information:

1) Unauthorized access
2) Unauthorized destruction
3) Unauthorized use
4) Unauthorized modification
5) Disclosure to third parties for Secondary Purposes (see below)

The aforementioned activities pertain to residential and small commercial usage data at the service account level ("Covered Information").

Aggregated usage data that cannot be used to identify an individual account falls outside the scope and is not Covered Information.

Related Documents

Attachment 1  Covered Information Users List (Revenue Manager)
Attachment 2  Covered Information Users List (Microsoft Dynamics CRM)
Attachment 3  CCA Privacy Policy

Terms and Definitions

Covered Entity  A “covered entity” is (1) and Community Choice Aggregator or Electrical Service Provider (when providing service to residential or small commercial customers), or any third party that provides services to a Community Choice Aggregator or Electrical Service Provider (when providing service to residential or small commercial customers) under contract, (2) any third party who accesses, collects, stores, uses or discloses covered information pursuant to an order of the Commission, unless specifically exempted, who obtains this information from an electrical corporation, a Community Choice Aggregator or an Electrical Service Provider (when providing service to residential or small commercial customers) or (3) any third party, when authorized by the customer, that accesses, collects, stores, uses, or discloses covered information from an electrical corporation, a Community Choice Aggregator or an Electrical Service Provider (when providing service to residential or small commercial customers).
Covered Information  
“Covered information” is any usage information obtained through the use of the capabilities of Advanced Metering Infrastructure when associated with any information that can reasonably be used to identify an individual, family, household, residence, or non-residential customer, except that covered information does not include information from which identifying information has been removed such that an individual, family, household, or residence, or non-residential customer cannot reasonably be identified or re-identified. Covered information, however, does not include information provided to the Commission pursuant to its oversight responsibilities.

Primary Purposes  
The “primary purposes” for the collection, storage, use or disclosure of covered information are to:

1. Provide or bill electrical power or gas,
2. Provide for system, grid, or operational needs,
3. Provide services as required by state or federal law or as specifically authorized by an order of the Commission, or as part of a Commission authorized program conducted by a governmental entity under the supervision of the Commission.

Secondary Purpose  
“Secondary purpose” means any purpose that is not a primary purpose.

Non-Covered Entity  
“Non-Covered Entity” means any entity not defined as a Covered Entity.

Revenue Manager  
Nexant RevenueManager® is a fully integrated, customer care, billing, and contract management software platform for retail energy markets. Billing agents can support multiple commodities through the entire customer lifecycle—from prospecting, to customer acquisition, customer service, and billing—in residential, commercial, and industrial markets.

CRM  
Microsoft Dynamics CRM is a customer relationship management solution that helps companies improve marketing, sales, and service engagement with their customers to drive organizational efficiency, while helping to improve customer experience.

Responsible Parties  
Noble CCA Team  
CCA Operations, CCA Services

AnswerNet CSR  
Customer Service Representatives, Supervisors

Application Support  
System Administrators

Noble IT Operations  
Noble Americas Energy Solutions IT Support Organization

CCA

Community Choice Aggregator Staff and Third Parties contracted by CCA

Procedure

(1) Detecting and Reporting of Security Breaches
a. All Responsible Parties are required to protect Covered Information from unauthorized access, unauthorized destruction, unauthorized use, unauthorized modification, or disclosure to non-Covered Entities for Secondary Purposes.

b. Any requests by non-Covered Entities, for access to CCA’s customer usage data must be reviewed and approved by a manager level Noble Americas Energy Solutions employee or higher to ensure no inadvertent release of Covered Information.

c. All authorized releases of Covered Information to non-Covered Entities shall be logged and reported to affected CCAs on an annual basis for CCA’s reporting purposes.

d. Any discovery of a security breach of Covered Information must be reported to the affected CCA within one (1) week of detection.

e. Any Security Breach affecting 1,000 or more accounts associated with the same CCA must also be reported to the California Public Utilities Commission’s Executive Director.

(2) Security Breach Handling Procedure

a. The discovering party, after receiving complaint/notification email from an external source, or having detected/discovered any Security Breaches of Covered Information contained in Revenue Manager, must contact the Noble Americas Energy Solutions CCA Operations Manager immediately. If the CCA Operations Manager is unavailable, the discovering party must notify the Vice President of Customer Care.

b. The CCA Operations Manager will quantify and validate the type and extent of the Security Breach and report to the affected CCA in writing. The report will contain enough information, if available, for the affected CCA to quantify the extent and the impact of the Security Breach and will identify a contact at Noble Americas Energy Solutions that will be responsible as primary contact for the CCA in regards to the Security Breach.

i. A Security Breach that affects 1,000 or more accounts are to be reported in writing to the California Public Utilities Commission’s Executive Director in addition to the affected CCA.

c. Within sixty (60) days of the end of a calendar year, the CCA Operations Manager will review all annual discoveries of a Security Breach of Covered Information and prepare a summary report to the CCA.

(3) Review of the Covered Information Security Breach Policy and Procedure as Agent for Community Choice Aggregators

a. At least annually, the CCA Operations Manager will review the Covered Information Security Breach Policy and Procedure as Agent for Community Choice Aggregators documentation to update the material for any changes, revisions or modifications based on experience(s). This includes reviewing and updating Attachment 1 and confirming that the policy documentation has the most current version of Attachment 2.
b. Any proposed changes to the Covered Information Security Breach Policy and Procedure as Agent for Community Choice Aggregators documentation shall be reviewed and approved by the Vice President, Customer Care.
## Attachment 1

### Covered Information Users List (Revenue Manager)

Updated Quarterly

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## Attachment 2

Covered Information Users List (CRM)

Updated Quarterly

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Staff Report – Item 1g

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1g: Authorize Chief Executive Officer to Execute Agreement with Richards, Watson & Gershon for Legal Services

Date: 8/14/2019

RECOMMENDATION
Staff recommends that the Board authorize the CEO to execute an agreement with Richards, Watson & Gershon (RWG) for legal services from October 1, 2019 through September 30, 2020, for an amount not to exceed $185,000.

FINANCE AND ADMINISTRATION COMMITTEE RECOMMENDATION
The Finance and Administration committee met August 6th and were unanimous with one committee member absent to recommend Board approval of the attached agreement.

BACKGROUND
Silicon Valley Clean Energy (SVCE) has been utilizing the services of RWG since the Agency’s formation with the current agreement expiring on September 30, 2019. Compensation is to not exceed $185,000 for the term of the agreement. The compensation cap is the same as the current agreement.

ANALYSIS & DISCUSSION
The scope of work is included in Exhibit A to the Agreement with RWG (see Attachment 1) and includes:

- Attendance at the monthly SVCE Board of Directors meetings and any special meetings and workshops as required by the CEO or Chair of the Board.
- Brown Act, Conflict of Interest and Public Records Act advice and representation.
- Preparation or review of consultant and vendor contracts.
- Advice to the CEO and designated staff on administrative and operational matters.
- Research and advice on legal questions asked by the Board, CEO and designated staff.
- Advice and assistance on other legal matters as may be assigned by the CEO.

STRATEGIC PLAN
The recommendation supports staff in all areas of the Strategic Plan.

FISCAL IMPACT
The fiscal impact of this report is $185,000.

ATTACHMENTS
1. Agreement with Richards, Watson & Gershon for legal services.
AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY
AND
RICHARDS, WATSON & GERSHON
FOR
LEGAL SERVICES

THIS AGREEMENT, is entered into this 1st day of October, 2019, by and between the
SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency,
("Authority"), and RICHARDS, WATSON & GERSHON, a PROFESSIONAL CORPORATION
whose address is 44 Montgomery St., Suite 3800. San Francisco, CA 94104 (hereinafter referred
to as "General Counsel") (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. General Counsel 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 General Counsel desire to enter into an agreement for legal services
upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. **TERM**
The term of this Agreement shall commence on October 1, 2019, and shall terminate on
September 30, 2020, unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED**
General Counsel shall perform each and every service set forth in Exhibit "A" which is
attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO GENERAL COUNSEL**
General Counsel shall be compensated for services performed pursuant to this Agreement
in a total amount not to exceed One hundred and eighty-five thousand and 00/100 dollars
($185,000.00) dollars based on the rates and terms set forth in Exhibit "B," which is attached hereto
and incorporated herein by this reference.

4. **TIME IS OF THE ESSENCE**
General Counsel and Authority agree that time is of the essence regarding the performance
of this Agreement.
5. **STANDARD OF CARE**
   General Counsel 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 General Counsel 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 General Counsel, 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 General Counsel'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 General Counsel, 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 General Counsel. Payments of the above items, if required, are the responsibility of General Counsel.

7. **NO RE COURSE 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. General Counsel 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**
   General Counsel agrees that it shall not harass or discriminate against a job applicant, an Authority employee, or General Counsel’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. General Counsel agrees that any and all violations of this provision shall constitute a material breach of this Agreement.

9. **HOLD HARMLESS AND INDEMNIFICATION**
   General Counsel 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 General Counsel or General Counsel’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, General Counsel 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 General Counsel’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." General Counsel 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. General Counsel 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, General Counsel shall look solely to his/her/its insurance for recovery. General Counsel hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either General Counsel or Authority with respect to the services of General Counsel herein, a waiver of any right to subrogation which any such insurer of General Counsel may acquire against Authority by virtue of the payment of any loss under such insurance.

C. Failure to secure or maintain insurance. If General Counsel 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 General Counsel's name or as an agent of the General Counsel and shall be compensated by the General Counsel 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 General Counsel. General Counsel is advised to confer with General Counsel's insurance broker to determine adequate coverage for General Counsel.

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
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eement, 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**

   General Counsel 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. General Counsel 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 General Counsel 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**

   General Counsel 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 General Counsel 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 General Counsel.

   The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of General Counsel, or of the interest of any general partner or joint venturer or syndicate member or cotenant, if General Counsel is a partnership or joint venture or syndicate or cotenancy, which shall result in changing the control of General Counsel, 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 General Counsel 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 General Counsel. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

   General Counsel 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 General Counsel shall agree to be bound to General Counsel and Authority in the same manner and to the same extent as General Counsel is bound to Authority under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. General Counsel shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. General Counsel 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 General Counsel pursuant to or in connection with this Agreement, shall be the exclusive property of Authority. General Counsel 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. General Counsel may retain a copy of any Report furnished to the Authority pursuant to this Agreement.
   B. All Reports prepared by General Counsel may be used by Authority in execution or implementation of: (1) The original Project for which General Counsel 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. General Counsel 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 General Counsel pursuant to this Agreement that has not been publicly released shall be made available to any individual or organization by General Counsel without prior approval by Authority.

15. **RECORDS**
    General Counsel 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. General Counsel 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 General Counsel 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. Richards, Watson & Gershon shall represent General Counsel in all matters pertaining to the services to be performed under this Agreement.

17. **CONFIDENTIAL INFORMATION**
    General Counsel 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 General Counsel 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 GENERAL COUNSEL:**

Richard, Watson & Gershon  
Attn: Gregory W. Stepanicich  
44 Montgomery St., Suite 3800  
San Francisco, CA 94104  
gstepanicich@rwglaw.com

19. **TERMINATION**

In the event General Counsel fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, General Counsel shall be deemed in default in the performance of this Agreement. If General Counsel 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 General Counsel 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 General Counsel as provided herein. Upon receipt of any notice of termination, General Counsel shall immediately discontinue performance. Authority shall pay General Counsel for services satisfactorily performed up to the effective date of termination. Upon termination, General Counsel 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 General Counsel or given to General Counsel, in connection with this Agreement. Such materials shall become the property of Authority.

20. **COMPLIANCE**

General Counsel 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**
   General Counsel 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 General Counsel.

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 Eckert, Director of Finance & Administration
GENERAL COUNSEL NAME
RICHARD, WATSON & GERSHON
A Professional Corporation

By: __________________________
Name: Gregory W. Stepanicich
Title: Shareholder
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

As General Counsel for SVCEA, Richards, Watson & Gershon shall provide the general legal services typically required by a joint powers authority in addition to those general legal services related more specifically to the operation of a community choice aggregation program as described below. These legal services shall include the following:

- Attendance at the monthly SVCEA Board of Directors (“Board”) meetings and any special meetings and workshops as requested by the Chief Executive Officer or Chair of the Board.
- Brown Act, Conflict of Interest and Public Records Act advice and representation.
- Preparation or review of consultant and vendor contracts.
- Advice and preparation of documents related to personnel matters.
- Advice to the Chief Executive Officer and designated staff on administrative and operational matters.
- Research and advice on legal questions asked by the Board, Chief Executive Officer and designated staff.
- Advice and assistance on other legal matters as may be assigned by the Chief Executive Officer.

Legal services will not include matters in which Richards, Watson & Gershon has a conflict of interest that precludes the law firm from representing SVCEA. General Counsel services also will not include energy contracts or regulatory matters before the California Public Utilities Commission (CPUC) that require specialized legal services in these areas of law.
Exhibit B
Compensation

Authority shall compensate General Counsel 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 General Counsel under this Agreement for all services described
in Exhibit “A” and reimbursable expenses shall not exceed a total of One Hundred Eighty-Five
Thousand and 00/100 dollars ($185,000.00), as set forth below. Any work performed or
expenses incurred for which payment would result in a total exceeding the maximum amount of
compensation set forth herein shall be at no cost to Authority unless previously approved in
writing by Authority.

Rates:

<table>
<thead>
<tr>
<th>Role</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders</td>
<td>$325/Hour</td>
</tr>
<tr>
<td>Associates</td>
<td>$275/Hour</td>
</tr>
<tr>
<td>Paralegals</td>
<td>$180/Hour</td>
</tr>
</tbody>
</table>

Invoices:

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

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

Additional Services:
General Counsel 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. General Counsel 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 C
Insurance Requirements and Proof of Insurance

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

GENERAL COUNSEL 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 General Counsel in the amount of at least $1,000,000.
Staff Report – Item 1h

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1h: Authorize the Chief Executive Officer to Execute Amended Agreement Increasing the Not-to-Exceed Amount for Accounting Services with Maher Accountancy

Date: 8/14/2019

RECOMMENDATION
Authorize the Chief Executive Officer to approve an amendment to increase the Not-to-Exceed ("NTE") amount from $199,375 to $207,375 for the existing agreement with Maher Accountancy for accounting services.

BACKGROUND
Accurate financial reporting and strong internal controls are of high importance to both the SVCE Board of Directors and Staff. Maher Accountancy will continue to assist with daily transactions. Placing cash disbursement duties off-site helps staff maintain strong reporting.

SVCE has been utilizing the services of Maher Accountancy since March 2017. Maher Accountancy services strengthen SVCE’s internal controls, has less fiscal impact than hiring in-house staff, and provides institutional knowledge based on years of experience with other Community Choice Aggregators.

ANALYSIS & DISCUSSION
One of the services Maher Accountancy offers is access to “Bill.com” which is an online platform for approving cash disbursements. Bill.com has various fees including per user and per payment transaction. The amount of transactions has increased along with the increased SVCE personnel accessing the platform. Those incremental costs were not factored in the original agreement. The amendment funds those costs and will be included in future agreements with the vendor.

FISCAL/BUDGETARY IMPACT
This recommendation results in a $8,000 fiscal impact to the agency.

ATTACHMENTS
1. Proposed Amendment to Agreement with Maher Accountancy
2. Agreement with Maher Accountancy
FIRST AMENDMENT TO AGREEMENT WITH MAHER ACCOUNTANCY

WHEREAS, the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency ("Authority"), and MAHER ACCOUNTANCY entered into that certain agreement entitled ACCOUNTING SERVICES, effective on April 1, 2018, hereinafter referred to as "Original Agreement"; and

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

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

1. Section COMPENSATION TO CONSULTANT of Original Agreement shall be amended to read as follows:

Consultant shall be compensated for services performed pursuant to this agreement in a total amount not to exceed two hundred seven thousand and three hundred seventy-five dollars ($207,375.00) based on the rates and terms set forth in Exhibit “B”, which is attached hereto and incorporated herein by this reference.

2. Section EXHIBIT B COMPENSATION of Original Agreement shall be amended to read as follows:

Reimbursable Expenses:

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority and shall only be reimbursed to the extent consistent with Authority’s travel policy. Subscription and transaction fees for cloud-based accounts payable system (Bill.com) will be borne by the Authority.

3. This Amendment shall be effective on August 14, 2019.

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

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

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed as of the dates set forth besides their signatures below.
RECOMMENDED FOR APPROVAL

__________________________________________
Don Eckert, Director of Finance and Administration

CONSULTANT NAME
MAHER ACCOUNTANCY

By: __________________________
Name: Michael Maher
Title: Partner
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
AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND MAHER ACCOUNTANCY FOR ACCOUNTING SERVICES

THIS AGREEMENT, is entered into this 1st day of April, 2018, by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent joint powers authority, ("Authority"), and MAHER ACCOUNTANCY, a California corporation, whose address is 1101 Fifth Avenue, Suite 200, San Rafael, CA 94901 (hereinafter referred to as "Consultant") (collectively referred to as the "Parties").

RECITALS:

A. Authority is an independent joint powers authority 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 accounting services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. TERM
   The term of this Agreement shall commence on April 1, 2018, and shall terminate on September 30, 2019, unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED
   Consultant shall perform each and every service set forth in Exhibit "A" which is 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 ninety-nine thousand and three hundred seventy-five dollars ($199,375.00) based on the rates and terms set forth in Exhibit "B," 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 similar 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 RE COURSE 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, 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, 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 it has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to 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 any policy required by this Agreement if not named as such additional insured. An additional insured named hereunder shall not be held liable for any premium, deductible portion of any loss, or expense of any nature under any policy required by this Agreement 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 any policy required by this Agreement.

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 Authority and the additional insureds.

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 capacity, 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 corporation, 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 entity.

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 required by this Agreement. 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 the 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. Maher Accountancy 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, 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:
Michael Maher, CPA
Maher Accountancy
1101 Fifth Avenue, Suite #200
San Rafael, CA 94901

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 reports, 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.

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, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Authority.

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 to do so on behalf of their respective party.

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

27. **CAPTIONS AND TERMS**
The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.
IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

CONSULTANT NAME
Maher Accountancy

By  Michael Maher
Title  Partner
Date  4/25/18

SILICON VALLEY CLEAN ENERGY AUTHORITY
A Joint Powers Authority

By  Girish Balachandran
Title  CEO
Date  4/20/18

RECOMMENDED FOR APPROVAL

By: Don Eckert
Director of Administration & Finance

APPROVED AS TO FORM:

Counsel for Authority

ATTEST:

Authority Clerk
Exhibit A
Scope of Services

Monthly Financial Operational Assistance:
1. Assist in development of operating budget in collaboration with management and technical consultants.
2. Maintain the general ledger by:
   a. Posting billings, accrued revenue, cash receipts, accounts payable, cash disbursements, payroll, accrued expenses, etc.
   b. Prepare or maintain the following monthly analysis regarding general ledger account balances:
      i. Reconciliation to statements from Authority’s financial institution for cash activity and balances;
      ii. Reconcile customer data manager reports of customer activity and accounts receivable;
      iii. Estimated user fees earned but not billed as of the end of the reporting period;
      iv. Schedule of depreciation of capital assets;
      v. Aged schedule of accounts payable;
      vi. Schedules of details regarding all remaining balance sheet accounts.
3. Manager accounts payable: Consultant utilizes a cloud-based accounts payable document management system to provide for documentation of management review, proper segregation of duties, and access to source data. Consultant ensures that required authorization is documented and that account coding is correct. SVCEA staff then authorizes the release of payment by an independent payment service in order to provide an additional safeguard.
4. Manage compliance with fiscal provisions of vendor contracts: Before submitting vendor invoices for management approval, Consultant verifies that a vendor invoice with contract provisions regarding time periods, rates, and financial limits.
5. Monitor expenditure budget compliance. Consultant monitors budget available and will make timely suggestions for any necessary budget amendments.
6. Provide periodic and year-to-date accrual basis financial statements with comparison to projections.
7. Provide modified accrual basis financial statement with comparison to budget.
8. Filing annual information returns such as form 1099/1096’s.
9. Present financial information to Board of Directors, as needed.
10. Assist the treasury function.
11. Provide services to meet the requirements of applicable laws and regulations relating to the provisions of accounting services for Authority.
12. File various compliance reports for state and local agencies, such as user taxes, energy surcharges, and state controller reports.

Prepare annual financial statements and coordination with independent auditor.
Exhibit B
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 ninety-nine thousand and three hundred seventy five dollars ($199,375), 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.

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

<table>
<thead>
<tr>
<th>Task</th>
<th>Not to Exceed Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Monthly Accounting Services</td>
<td>$185,400 (fixed $10,300/month)</td>
</tr>
<tr>
<td>2. Prepare annual financial statements and coordinate with external auditor.</td>
<td>$13,975</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$199,375</td>
</tr>
</tbody>
</table>

Invoices

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

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

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 C
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 1i

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

Item 1i: Receive Decarbonization Programs Update

Date: 8/14/2019

RECOMMENDATION
Staff recommends the Board accept the Q2 2019 Update of the Decarbonization Strategy & Programs Roadmap with revised program briefs.

BACKGROUND
To achieve its mission to reduce dependence on fossil fuels by providing carbon-free, affordable and reliable electricity and innovative programs for the community, SVCE adopted Strategy 5.2 of the Strategic Plan, to establish an SVCE decarbonization strategy and programs roadmap (abbv. "Roadmap"). In December 2018, the Board approved the Roadmap, and since that time, staff have been working on implementation.

ANALYSIS & DISCUSSION
Attachment 1 is the second quarterly update since Roadmap adoption, covering April through June of 2019. The quarterly update includes bulleted highlights, a timeline of the status of the development of all programs in the portfolio, a budget summary, and a table with brief updates and next steps for each initiative.

Attachment 2 provides additional detail about each initiative in the form of revised program briefs.

STRATEGIC PLAN
SVCE’s Strategic Plan Goal 5 is to work with the community to achieve energy and transportation GHG emissions reductions of 30% emissions reduction from the 2015 baseline by 2021, 40% by 2025 and 50% by 2030. This work is being carried out to support Strategy 5.2, which is to execute and maintain the Roadmap to achieve community-wide emissions reduction targets.

FISCAL IMPACT
Accepting the Q2 2019 Update of the Decarbonization Strategy & Programs Roadmap has no fiscal impact.

ATTACHMENTS
1. Decarbonization Strategy & Programs Roadmap – Q2 2019 Update
2. Revised Program Briefs
Decarbonization Strategy & Programs Roadmap
Q2 2019 Update
August 14, 2019 BOD Meeting

Highlights:

- **FutureFit Home Program for Electric Heat Pump Water Heaters**: Most water heaters in California run on natural gas, which produces carbon emissions and negatively impacts indoor air quality. SVCE’s FutureFit Home program, which launched on June 28, 2019, provides rebates to customers to replace their natural gas water heater with an efficient, electric heat pump water heater. In addition to providing a rebate for the appliance, there are additional incentive funds available for low income customers, those requiring an electrical panel upgrade, and data monitoring. As of June 30, staff had received thirty-six program applications. This program is funded in part by a grant from the Bay Area Air Quality Management District.

- **All-Electric Showcase Awards Program**: To help encourage construction of new, all-electric buildings, SVCE launched the All-Electric Showcase Awards program on June 26, 2019, to recognize leaders in our community who have already transitioned to all-electric. Owners, developers, builders, architects and designers of all-electric homes and buildings were encouraged to apply for cash awards from $2,000 - $6,000. The award amount is dependent on property type, with multiple categories available for residential and commercial buildings. Awardee photos and building information will be used to develop education and outreach materials to raise awareness of all-electric buildings.

- **Powerhouse’s Suncode Hackathon and the Stanford Cleantech Challenge**: SVCE sponsored two clean energy focused hackathons to support innovative solutions to climate change. SVCE provided challenge statements in both hackathons that focused on retrofitting single-family homes to be all-electric. Teams that solved SVCE’s challenge in both events won the grand prize. The winning team at Powerhouse’s Suncode hackathon developed a user-friendly online resource to help customers save money and energy while promoting electrification, while the winning team at Stanford proposed partnering with solar providers to add electrification options to their product offerings. Sponsorship of innovation-focused challenge events is carried out through SVCE’s Innovation Partners program to engage with key strategic partners to participate in the local innovation ecosystem to provide a voice for SVCE customers and our decarbonization mission.

- **Innovation Onramp**: SVCE selected five projects from the first application cycle that closed April 30, 2019, for Innovation Onramp, the program to fund innovative pilot projects that address key technical, market and policy barriers to eliminating fossil fuel use. The first five pilots address improved access to energy use data, on-site solar paired with EV charging, a program to achieve zero carbon school and community college districts, accelerating building electrification and improving urban energy efficiency. The pilots through Innovation Onramp will help Silicon Valley reduce carbon emissions from buildings and transportation by using more clean electricity and improving efficiency.
Figure: Timeline by program and quarter
Figure: Programs budget by program area and fiscal year
<table>
<thead>
<tr>
<th>Sector</th>
<th>Program</th>
<th>Q2 Activities</th>
<th>Q3 Outlook</th>
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</table>
| Power Supply | PS1: C&I Clean Power Offerings                                            | • Program plan developed, and consulting contracts in place for market strategy, pricing/cost analysis  
• Completed initial assessment of CCE positioning v/v electric service providers (ESP) for customers interested in DA services  
• Developed detailed revenue and cost model for all customer classes  
• BOD presentation and approval of non-standard pricing agreements for large customers  
• Initial conversations with four large customers about possible alternative clean power offers                                                                                         | • Define and implement detailed pricing policy  
• Continue to define/refine alternative offers, including GreenPrime Direct (PPA Sleeve), and Decarbonization Co-investment Discount  
• Conduct meetings with target C&I customers to further define needs, alternative products of interest  
• Develop detailed cost models to assess economics of current and alternative customer offerings  
• Develop, launch and test pilot offerings by Q4                                                                                                                                                                                                                     |
|             |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                         |
| Built Environment | BE1: Reach Codes                                                         | • Model code language released and reviewed with participating cities  
• Met individually with six cities, supported by our consultants.  
• Nine cities signed Letters of Intent to bring Reach Codes to council for a vote  
• Hired Joint Venture Silicon Valley (JVSV) to engage external stakeholders, e.g. organized labor, affordable housing developers.  
• Tools, presentations, etc., posted to SiliconValleyReachCodes.org                                                                                                                                                                                                                          | • Support stakeholder engagement meetings held by the cities  
• Participate in City Council sessions  
• Support post-implementation tool/training development for city staff                                                                                                                                                                                                                       |
|             |                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                         |
|             | BE2: All-Electric Showcase Grants                                        | • Program divided into two phases: first phase to recognize existing all-electric buildings in the community, and second phase to incentivize new construction  
• Phase one of program launched on June 24, 2019  
• Selected SMUD for program administration                                                                                                                                                                                                                                          | • Application window to close on July 26, 2019  
• Create and publish first set of case studies by early August  
• Publish summary info across awardees in early Q3  
• Continue to develop case studies throughout Q3  
• Begin program design for phase two                                                                                                                                                                                                                                         |
### BE3: FutureFit Heat Pump Water Heaters
Provide incentives for electric heat pump water heaters and service panel upgrades to residents using natural gas currently
- Program launched on June 28, 2019
- 120 customers listed as “Interested” prior to launch & 36 applications received by June 30
- Released Heat Pump Water Heater Consumer Guide and updated website
- SMUD selected as program administrator
- Engage EM&V contractor
- Transition program administration to SMUD
- Monitor participation and adjust outreach efforts accordingly

### BE4: Workforce Development
Help build an industry-leading workforce that can accelerate decarbonization by advising on, installing, maintaining, and repairing low-carbon technologies
- Mapped major stakeholder and industry perspectives to seek during background research
- Conducted background interviews with nine representatives from organized labor, professional education institutions, and community workforce development centers
- Developed taxonomy of potential program structures
- Identified external consulting support resources
- Conduct additional background interviews
- Provide interim findings to the Executive Committee on August 23, 2019
- Develop shortlist of potential program structures
- Provide update to full Board on final program choices in fall 2019
- Begin program implementation fall/winter 2019

### MO1: EV Infrastructure Strategy & Plan
Develop a near- to mid-term strategy for EV infrastructure and a set of program implementation plans
- Held two in-person workshops to solicit feedback from stakeholders (City, industry, and employer) on perceived challenges and draft program designs
- Surveyed customers and stakeholders on EVSE behavior and needs
- Identified key program areas and created concepts and implementation plans with consultant, E-Mobility Group
- Created draft strategy and plan documentation for internal SVCE staff review; draft decisions on priority programs made
- Worked with two-county coalition to define regional requirements for the California Energy Commission (CEC) on the CALeVIP block grant funding for EVSE build out; continue to await a decision from the CEC
- Complete SVCE EV infrastructure strategy and plan in early Q3, and release
- Be informed of final CEC decision on CALeVIP funding; if selected, work with CEC and their administrative consultant to finalize requirements, hold public meetings, and sign the formal agreement
- Presentation to Board planned for September
- On track to launch identified priority programs by Q4 (see MO2)
<table>
<thead>
<tr>
<th>Energy Efficiency &amp; Grid Integration</th>
<th>GI1: Virtual Power Plant</th>
<th>MO2: EVSE Incentive Program</th>
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<tbody>
<tr>
<td>Support “virtual power plants” made up of cloud-based aggregations of customer-sited resources to support grid integration and monetize value from connected, controllable loads</td>
<td>Released a discussion paper of an initial evaluation of options for program approaches for public review in April</td>
<td>Incentivize EV charging infrastructure development to support various use cases</td>
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<tr>
<td>• Held an in-person workshop, a public webinar and individual stakeholder meetings to solicit feedback</td>
<td>• Program design phase integrated into MO1</td>
<td>• For priority programs that need additional support, RFP issuance expected in Q3</td>
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<tr>
<td>• Integrated stakeholder feedback into the discussion paper</td>
<td>• For priority programs that need additional support, RFP issuance expected in Q3</td>
<td>• On track for priority program launch in Q4</td>
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<thead>
<tr>
<th>Education &amp; Outreach</th>
<th>EO1: Customer Resource Center</th>
<th>EO2: Community Engagement Grants</th>
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<tbody>
<tr>
<td>Develop customer resource center to enable engagement and awareness-building, education and action related to understanding energy usage, vehicle and building electrification</td>
<td>Developed foundational ‘FutureFit’ collateral as guide for residential electrification</td>
<td>Partner with local organizations in under-reached customer segments to promote SVCE accomplishments and programs</td>
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<tr>
<td>• Defined and developed RFI for online Customer Resource Center (CRC) solution, for outcomes spanning Awareness and Education, Consideration and Decision Making, and Implementation across multiple product and service categories related to electrification</td>
<td>• The grantees outreach activities are ongoing and include connecting eligible customers to state, income-qualified energy discount programs, and hosting ‘energy clinics’ to help customers better understand their electricity charges.</td>
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<td>• Received and evaluated nine RFI responses</td>
<td>• Contract for support of development and implementation</td>
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<td></td>
<td>• Develop conceptual design, and RFP for solution providers</td>
<td>• Outreach events ongoing</td>
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<td></td>
<td>• Publish RFP for CRC development, encompassing SVCE website elements, and tools supporting electrification of mobility and built environment</td>
<td>• Collect customer input via in-language surveys</td>
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<tr>
<th>Innovation</th>
<th>IN1: Innovation Partners</th>
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<tr>
<td>Engage with key strategic partners to participate in the local innovation ecosystem and provide a voice for SVCE customers and the decarb mission</td>
<td>Sponsored the Stanford Cleantech Challenge (April) and the Powerhouse SunCode Hackathon (May) and provided “challenge statements” focused on addressing market barriers for achieving deep decarbonization</td>
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<td>• Continued discussions with regional peers on a co-sponsored, SVCE-initiated innovation challenge event</td>
<td>• Contract with one or more partners to administer an SVCE-led innovation challenge event in Q3 2019</td>
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<td>• Launch an innovation challenge event in Q3 or Q4 with regional partners</td>
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<td>• Develop an initial draft “innovation roadmap” and solicit stakeholder feedback</td>
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<td>IN2: Innovation Onramp</td>
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<tr>
<td>Provide small grants to support innovation through pilot projects with external partners</td>
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<td>• Evaluated and selected five pilot projects after the first application deadline closed on April 30, 2019</td>
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<td>• Enter into partnership agreements with selected awardees</td>
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<td>• Secured third-party program administrator Center for Sustainable Energy</td>
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<tr>
<td>• Finalize and execute partnership agreements with first five selected awardees</td>
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<td>• Launch pilots</td>
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<td>• Onboard third-party program administrator</td>
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<tr>
<td>• Plan for next application deadline in Q3 or Q4</td>
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SVCE Program Brief – C&I Clean Power Offerings (PS1)
2019 Q1 Revised Version
April 10, 2019

Summary
Develop, market and sell additional SVCE power offerings to address large C&I customers seeking to buy clean power at competitive rates

Key Challenges
- Several large C&I customers are interested in buying lower-cost power through expanding direct access channels, potentially resulting in adverse revenue and GHG impacts
- Some large C&I customers also buying clean power directly via PPA’s
- SVCE needs additional market offering(s) to address requirements of some large customers

Goals
- Preserve and grow local market share with large C&I customers, and associated community-wide GHG reduction benefits

Program Approach
General
- Q2 FY2019 Assessment and Strategy
  Develop an assessment and strategy scope of work, including outreach and fact finding with selected large C&I customers on power supply needs/preferences; evaluate competitive landscape and local market opportunity; model current SVCE power supply economics and profitability by customer segment/load profile; develop conceptual models for alternative offer(s) and evaluate trade-offs; finalize near-term strategy and approach
- Q3 FY2019 Offering Design
  Detail design of alternative market offering(s)
- Q4 FY2019 Sales/Pilot Contract Launch
- Q1 FY2020 Sales/Pilot Contract Launch

Target Participants
- Large commercial/industrial customers

Participation Criteria
- Load threshold TBD

Program Evaluation, Measurement & Verification Plan
- TBD

Third-Party Support
- Initial support from currently-retained third parties Ascend Analytics, Hanover Strategy Advisors, Pacific Energy Advisors, and others
Resources
- $150,000 FY2019

Staff Support
- 1 FTE through Q1 FY2020

Timeline
- Q2 FY2019 Assessment and Strategy
- Q3 FY2019 Design
- Q4 FY2019 Sales/Pilot Contract Launch
- Q1 FY2020 Sales/Pilot Contract Launch

Program Sector & Activity Type

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<tr>
<th>Sector(s)</th>
<th>Activity Type(s)</th>
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<tbody>
<tr>
<td>Power Supply</td>
<td>Retail Products &amp; Services</td>
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Leverage

- Coordinate analysis and approach with selected CCAs

- Significant innovation opportunity; a number of large customers in our service territory very motivated to by 100% renewable energy in most efficient/cost-effective way possible

- Customer data analytics will help SVCE understand cost-to-serve by customer, product and segment
Prioritization Criteria

Customer & Community Value

Help ensure that largest C&I customers are buying clean energy in an efficient and cost-effective fashion

Emissions Impact

Maintain and expand GHG emissions reduction associated with the largest electricity users in our community

Scalable and Transferable

New offering(s) can serve multiple SVCE customers, and be easily modeled by other CCAs

Equity in Service

New offering(s) will be available to all customers meeting associated usage thresholds and/or other customer requirements TBD

Core Role for SVCE

Given SVCE’s core role as a local LSE, SVCE is well-positioned to be an efficient, cost-effective provider of customized clean energy generation services for large C&I customers
SVCE Program Brief – Reach Codes (BE1)
2019 Q1 Revised Version
April 10, 2019

Summary
Provide support to member agencies seeking to evaluate and adopt building code modifications to promote all-electric buildings and EV charging infrastructure requirements in the current building code cycle. Hire technical consultant to help coordinate and collaborate across member agencies and relevant stakeholders, add capacity to member agency staff, coordinate input and feedback from key external stakeholder groups during the code development and review process, and provide tools to support implementation. In addition, provide $10k grant to each member agency to help defray non-outsourcable resource impacts of pursuing a reach code effort.

Key Challenges
At the time of construction is the most cost-effective point to decide to build all-electric and install EV charging infrastructure, yet building codes continue to favor natural gas and omit transportation electrification infrastructure needs.

Member agency resources are limited.
- Building codes encourage mixed-fuel buildings
- Developer inertia aligned with mixed-fuel buildings

Goals
One or more member agencies adopt 2019 reach codes.

Program Approach
General
- SVCE hires a reach code consultant in collaboration with Peninsula Clean Energy, to share costs across the two CCAs and enhance coordination/collaboration across member agencies in both counties
- Reach code consultant will map process flow, organize and carry out external stakeholder meetings, coordinate necessary economic modeling and proposed code language, among other support tasks that can be outsourced by city staffs
- Reach code consultant will manage both building electrification and EV charging infrastructure stakeholder processes
- Provide $10k grant to each member agency to help defray non-outsourcable resource impacts of pursuing a reach code effort

Target Participants
- Primary -- Member agency staff
- Stakeholders – developers, housing authorities, architects, contractors, builders (among others)

Participation Criteria
• The support services offered herein are open to all 13 member agencies.

Program Evaluation, Measurement & Verification Plan
• No specific EM&V protocol

Third-Party Support
• Issue RFP to bring on a third-party consultant to develop all-electric and EV reach codes, organize and manage stakeholder meetings in the development and adoption process, and be a technical resource for our member agencies and SVCE staff/Board.

Resources
• $400,000 in FY2019, which includes technical consultant and member agency grant support
• The above figure does not including an additional ~$100,000 of resources provided by Peninsula Clean Energy to the consultant for deliverables benefiting both CCA member jurisdictions.

Staff Support
• 0.5 FTE in FY2019

Timeline
• Q1 FY2019 Concept, Release RFP, Cost-sharing agreement with Peninsula Clean Energy
• Q2 FY2019 Execute contract with consultant; Engage municipal agency staff and other stakeholders in reach code development process process
• Q3-Q4 FY2019 Deliver Reach Code(s) for CEC approval

Program Sector & Activity Type

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<tr>
<td>Built Environment</td>
<td>Mobility</td>
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<td>Public Policy</td>
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Leverage

Member agencies & Peninsula Clean Energy

Partnerships
This effort appears to be the first CCA-driven, multi-jurisdiction ordinance effort.

The cost effectiveness and GHG savings models are publicly viewable and may encourage others to adopt the all-electric pathway.

**Prioritization Criteria**

- **Customer & Community Value**: All-electric buildings and transportation electrification provide a lower cost, simpler, healthier, and safer alternative to their fossil fuel counterparts.

- **Emissions Impact**: By selecting the all-electric pathway, buildings are effectively guaranteed to remain so, thereby providing decades of GHG reductions.

- **Scalable and Transferable**: Much of the cost/benefit analyses necessary for reach codes are usable by other cities within the same climate and utility zone. Member agencies who have adopted reach codes may encourage other member agencies to do the same.

- **Equity in Service**: All-electric buildings and transportation electrification improves health and safety, which are typically more impactful to disadvantaged communities.

- **Core Role for SVCE**: Aligns well with SVCE’s role as a facilitator of improvements within and between our member agencies.
SVCE Program Brief – Heat Pump Water Heaters (BE2)
2019 Q2 Revised Version
August 10, 2019

Summary
Education, awareness, training, and incentives to encourage adoption of electric HPWH as a replacement for existing natural gas water heaters in existing buildings.

Key Challenges
- Limited supply available locally, limited contractor experience, potentially higher retrofit cost based on common home designs, lack of customer awareness, lack of clearly quantified economic and non-economic benefits, no clear leaders in proactive sales in water heater market

Goals
- Install 100 residential HPWHs to replace existing natural gas water heaters, each with data loggers
  - 90 market rate, 10 CARE/FERA
- Quantify hourly customer usage patterns in preparation for proper rate design and/or demand management solutions
- Quantify frequency of optimal and suboptimal installation conditions for use in future education and incentive opportunities

Program Approach

General
- Identify and coordinate with local supply warehouse, solar and general contractors to improve the supply chain participation
- Share improvements and provide training for permitting and inspection made by local cities to the rest of SVCE member agencies
- Incentive = $4,500 for HPWH + 200A Service Panel upgrade for 90 installations
- Incentive = $6,000 for HPWH + 200A Service Panel upgrade for 10 installations dedicated to existing CARE/FERA customers
- Included $1,500 adder for a Smart Performance Package option to incentivize customers to select systems compatible with our future Virtual Power Plant program, when launched. This was added to ensure certain packages met the “similar cost as a natural gas water heater replacement.” Will need to monitor the budget and adjust accordingly if this option is heavily adopted.
- Included a $300 rebate for data monitoring. This was originally an SVCE program expense and is now presented as a rebate, so does not require additional budgeting.

Target Participants
- Single family and multi-tenant buildings undergoing major remodels and/or installing solar PV.
- Building permit and inspection staff for necessary trainings

Participation Criteria
Existing buildings utilizing natural gas water heaters
- CARE/FERA enrollment required for 10 installations
- SVCE enrollment required for all 100 installations

**Program Evaluation, Measurement & Verification Plan**
- Current rate of adoption of HPWH during remodels, rate during, rate after initiative window.

**Third-Party Support**
- BAAQMD (Air District) grant providing $325,000
- Program administration partner, outreach partners, data management service

**Resources**
- SVCE = $100,000 in FY2019
- SVCE = $225,000 in FY 2020
- Funds matched 1:1 by Air District grant of $325,000
- Total Resources equal $650,000 for the two year program period

**Staff Support**
- 0.75 FTE in FY2019
- 0.50 FTE in FY2020

**Timeline**
- Q2 FY2019 Design
- Q3 FY2019 Delivery

**Program Sector & Activity Type**

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**Leverage**
- BAAQMD (Air District) funding. Discussing partnerships with providers of energy efficiency w/in SVCE territory who are precluded from funding fuel switching.
Including the service panel upgrade simultaneously reduces the first cost barrier and provides a prepared target market for future all-electric initiatives.

Collect and share anonymized usage data to support other CCA, POU, and IOU initiatives encouraging electric heat pump water heaters. Collect and share frequency and type of cost drivers (e.g., ventilation, electric service) impacting retrofit opportunities.

### Prioritization Criteria

- **Customer & Community Value**: Electric Heat Pump Water Heaters provide improved safety and air quality improvements. Further, leveraging time-of-use rates, HPWHs can provide ongoing bill savings.

- **Emissions Impact**: Each HPWH expects to reduce 1 MT CO2e per unit annually. Total expected savings is 100 MTCO2e/year once fully subscribed.

- **Scalable and Transferable**: The incentive level for this limited duration learning window is likely not scalable. The matching of optimal building characteristics with time-of-use rates already provides a similar cost-effectiveness to natural gas water heater retrofits.

- **Equity in Service**: Improvements in air quality and safety typically are more impactful to the disadvantaged community. Specifically, 10 units are allocated to CARE/FERA customers during this program window. The overall goal of making HPWH viable for all customers will benefit the DAC community.

- **Core Role for SVCE**: Identifying and sharing improvements with and between member agencies. Also, SVCE’s role as a regional facilitator enables a larger economy of scale than our member agencies working on this market in a fragmented fashion.
Summary

Program split into two phases:

**Phase 1 – All-Electric Showcase Award**: Locate and gather information on existing all-electric projects in SVCE service territory. Create Customer Profiles about these projects to highlight design elements and customer narratives around going all-electric. Publish information on the website and through fliers to showcase that all-electric construction is already happening in the area. May periodically reopen application window to find new projects.

**Phase 2 – All-Electric Design Grant**: Incentivize near-term development of showcase all-electric commercial and residential building projects, including potential decarbonized district energy systems. Provide consultative support during design phase. Develop and share model requirements for all-electric buildings for architects, developers, practitioners; based on type, square footage etc. Recipients agree to showcase buildings. Build on information about successes and failures with all-electric designs identified through Phase 1.

Key Challenges

- Limited exposure to and understanding of certain electric technologies leading to reliance on repeating previous mixed-fuel designs
- Demand for natural gas fueled cooking appears to be driving the utilization of mixed-fuels in residential construction

Goals

- **Phase 1**
  
  - At least 6 applicants with all-electric buildings in the first application window (June 24th through August 2nd) across building types (single family, commercial, etc.).
  
  - Customer Profiles available online through interactive gallery of photos and in print
  
  - Provide avenue to recognize those who already built all-electric, and gather additional information to support Phase 2 rollout

- **Phase 2**
  
  - 60 all-electric buildings
    
    - 20 Single Family, 30 Multi-Family units, 10 Commercial/Municipal buildings
  
  - Case studies for 20 buildings

Program Approach

**General**

- **Phase 1**: Incentivize customers to come forward and share photos, building access, and stories about existing buildings.
**Phase 2**: Promote consultative and incentive offering within developer and buildings department.

**Target Participants**
- **Phase 1**: Tenants, owners, developers, architects, general contractors
- **Phase 2**: Developers, architects, general contractors

**Participation Criteria**
- **Phase 1**: Building must be complete, with no major natural gas appliances
- **Phase 2**: Designs must be provided to SVCE prior to submission of building permits

**Program Evaluation, Measurement & Verification Plan**
- **Phase 1**: Engagement with online material and fliers, and resulting actions
- **Phase 2**: General rate of adoption of all-electric buildings prior to and following initiative

**Third-Party Support**
- **Phase 1**: Program administrator, EM&V contractor
- **Phase 2**: Program administrator, EM&V contractor, Technical/Building Design contractor

**Resources**
- **Phase 1**: $100,000 in FY2019
- **Phase 2**: $1,000,000 in FY2020; $400,000 in FY2021

**Staff Support**
- **Phase 1**: 0.25 FTE in FY2019
- **Phase 2**: 1 FTE in FY2020

**Timeline**

**Phase 1**
- **Q3 FY2019 Concept/Design**
  - Determine program design, goals, and implementation strategy; contract with program administrator
- **Q4 FY2019 Delivery/Completion**
  - Launch program for limited application window; complete Customer Profiles

**Phase 2**
- **Q4 FY2019 Concept**
  - Validate carbon savings estimate per building type
- **Q1 FY2020 Design**
  - Contract with third party support for program administration and technical support
- **Q2 FY2020 Delivery**
  - Through 2021 or until initiative fully subscribed
### Program Sector & Activity Type

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### Leverage

- **Partnerships**
  - American Institute of Architects (AIA), Buildings Industry Association (BIA), Stanford University architectural design program
  - SVCE projects interactive benefit of design incentives when combined with reach codes implemented to promote all-electric building design.

- **Innovation**
  - Case studies will share cost, energy, and carbon savings associated with all-electric buildings.

### Prioritization Criteria

- **Customer & Community Value**
  - Cost and operational savings, health and safety improvements of all-electric designs benefit the designers, owners, operators and residents of all-electric buildings.

- **Emissions Impact**
  - Varies per building type.
The promotion of all-electric design guidelines is durable within our community beyond initiative timeline and usable outside our service area.

All electric buildings provide improved air quality and safety which typically impacts DACs to a higher degree. All-electric buildings exist within SVCE territory at senior living facilities (for example) and SVCE will increase adoption within additional senior living and affordable housing.

SVCE is well positioned to support an initiative like this across all member agencies especially because the type and rate of new construction varies substantially between each member agency.
SVCE Program Brief – Workforce Training & Development (BE5)
April 10, 2019 (new initiative)

Summary
SVCE’s programmatic activities in the Built Environment – specifically the Reach Code effort (BE1) – have highlighted the need for greater workforce training to position the community for market readiness of all-electric buildings and EV charging infrastructure buildout. This program is to provide support for workforce training and development to support the transition to all-electric buildings and EV charging infrastructure development in the built environment.

Key Challenges
Current workforce initiatives primarily focus on training for the status quo: existing mixed fuel buildings.

Goals
- Help ensure market readiness for building and transportation electrification

Program Approach
General
- The general approach is still under development. Staff are currently carrying out informational interview to better understand the needs and challenges, and evaluating several opportunities to support workforce development. One option, for instance, is to make small grants available through an application process to local workforce training and development organizations to organize events, trainings, and other initiatives to support all-electric and EV charging infrastructure related activities.

Target Participants
- TBD

Participation Criteria
- TBD

Program Evaluation, Measurement & Verification Plan
- TBD

Third-Party Support
- TBD

Resources
- $200,000 in FY2019 and FY2020

Staff Support
- 0.1 FTE in FY2019 and FY2020

Timeline
- FY2019 Staff design the program concept and launches programs.
FY2020 Based on learnings from FY2019, continue or modify program to achieve program goals.

**Program Sector & Activity Type**

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**Leverage**

- Labor organizations, community colleges, educational institutes, workforce training centers
- SVCE will focus on innovative approaches that maximize leverage
- SVCE is crafting an approach that will leverage data and transparency to maximize impact of the effort and facilitate transferability to other regions

**Prioritization Criteria**

- Facilitating the transition to all-electric buildings and transportation electrification provide a lower cost, simpler, healthier, and safer alternative to the fossil fuel status quo
- Successful market transformation to all-electric buildings and transportation will enable deep decarbonization
- SVCE is focusing on approaches that are scalable and transferable beyond our boundaries
Workforce development initiatives could benefit members of our community thus far not involved in the clean energy economy.

Aligns with SVCE’s role in identifying barriers to deep decarbonization and identifying key partners to address them.
SVCE Program Brief – EV Charging Infrastructure Joint Action Plan (MO1)
2019 Q1 Revised Version
April 10, 2019

Summary
Analyze current state of EVCI and EV deployment across variety of use cases, e.g. fleets, SFH, MUD, workplace and corridor; aggregate and integrate existing EVCI planning resources and goals relevant to SVCE service area; launch community-wide, ongoing EV working group to support and guide SVCE efforts in this space; establish consolidated and simple mechanism for SVCE, member communities and organizations in the SVCE service area to pursue available funding sources; identify priority programs and develop implementation plans under key enabling practices, e.g. ordinance/reach code integration, incentives and programs, rates, education, siting and permitting practices; develop overall plan of action and form into a comprehensive EVCI strategy for SVCE and member agencies

Key Challenges
- No clear strategy or plan across SVCE service area for community-wide build-out of EV charging infrastructure to meet goals; including commercial and residential requirements, funding, charging types/levels, locations, technology, phasing etc.

Goals
- Develop directional strategy, priorities, and action plan with SVCE member communities to guide ongoing build-out of EVSE infrastructure; including regional working group and funding mechanism to streamline implementation

Program Approach
General
- COMPLETE: Worked with Member Agency Working Group and used previous work in other jurisdictions to develop scope of work for focused strategy and planning effort; developed RFP and contracted for consultant support with E-Mobility Group
- IN PROGRESS: Identify EVCI needs, status and priorities across SVCE service territory spanning single-family residential, MUD, commercial, workplace, fleets and corridor; identify associated priority development opportunities - including education, local policy, incentives and deployment programs, locational requirements, external funding sources and associated process/timelines for application; launch EVCI working group to provide ongoing support and input; develop funding mechanism to simplify access to external funding sources for SVCE, member agencies and communities; develop specific plan for addressing identified priorities, acquisition of funding from external sources, and deployment

Target Participants
- Member agencies and other local stakeholders, e.g. transit providers, network providers, major employers and property owners
Participation Criteria
- Interest in the electrification of transportation and transitioning to zero-emission transit

Program Evaluation, Measurement & Verification Plan
- N/A

Third-Party Support
- E-Mobility Group and subconsultants: REACH Strategies, electriphi, D+R International and The Yenter Group

Resources
- $200,000 in FY2019

Staff Support
- 1 FTE for 6 months

Timeline
- Q2 FY2019 Scope RFP and Select Consultant
- Q3 FY2019 Create Strategy and Plan
- After Q3 FY2019 Launch EVCI Priority Programs

Program Sector & Activity Type

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<tr>
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<td>Policy</td>
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Leverage
- Coordinated approach spanning member agencies and industry stakeholders; seek to obtain and leverage available external funding; CALeVIP engagement
- Significant innovation opportunity, especially related to high-volume transit and MUD charging requirements; priority program integration with Innovation Onramp and innovation challenges
- Customer and geographic data analytics will help target related outreach and subsequent siting efforts; consolidated forecasts from various tools will be made available for future use
## Prioritization Criteria

### Customer & Community Value
Will identify critical needs and highest-priority opportunities for enabling vehicle electrification based on current status and barriers

### Emissions Impact
Transportation is the largest single source of emissions within SVCE territory; access to convenient EV charging a key gating factor to expanding vehicle electrification

### Scalable and Transferable
Approaches and resources can be readily shared with customers, and leveraged with key partners; success can be replicated in other areas as their penetration of EVs catches up to SVCE’s

### Equity in Service
Strategy and planning efforts will be especially focused on key needs related to transit, MUD, and EV charging access in disadvantaged communities

### Core Role for SVCE
SVCE a natural point of aggregation in supporting our member agency communities in expanding vehicle electrification
SVCE Program Brief – EVSE Incentive Program (MO2)
2019 Q1 Revised Version
April 10, 2019

Summary
Develop programs to deploy a set of electric vehicle supply equipment (EVSE) to support unique requirements associated with electrification of local transit fleets, transportation network company vehicles, and access to EV charging in multi-unit residential developments (MUD) and disadvantaged communities (DAC)

Key Challenges
- Electrification of commercial/public fleets and transportation network company vehicles (e.g. Uber, Lyft) requires ready access to high-volume Direct Current (DC) Fast Charging facilities
- DC Fast Chargers are expensive and difficult to site, often requiring expanded electric service capacity, driver amenities, etc.
- Current access to EV charging in MUD and DAC is very limited, making it difficult for MUD or DAC residents to own an electric vehicle
- EVSE is challenging to site on MUD properties due to parking codes, electric infrastructure upgrades, uncertain demand, etc.

Goals
- Build EVSE facilities to support commercial/public transit fleets, TNC drivers, MUD and DAC residents

Program Approach
General
- Utilizing outputs of the EVSE Strategy and Planning program (EV1), build on program planning efforts to define EVSE program characteristics, relevant external funding opportunities, SVCE financial/matching incentives, and candidate site requirements; identify candidate locations and related project partners (e.g. site host, PG&E, EVSE provider, local municipality, dedicated customer communities as applicable)

Target Participants
- End customer communities include commercial/public fleet owners, MUD and DAC residents; project partner communities include site hosts, PG&E, EVSE providers, municipalities

Participation Criteria
- TBD

Program Evaluation, Measurement & Verification Plan
- TBD

Third-Party Support
• TBD

Resources

• $100,000 FY 2019
• $2,000,000 FY 2020
• $2,000,000 FY 2021
• $2,000,000 FY 2022
• $2,000,000 FY 2023

Staff Support

• 2 FTE

Timeline

• Q4 2019 DC Fast Charging Pilot Depots Program Development
• Q1-Q4 2020 DAC, MUD and Fleet EVSE Program Development

Program Sector & Activity Type

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<td>Retail Products &amp; Services</td>
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Leverage

- **Partnerships**: Coordinated approach spanning member agencies; seek to obtain and leverage available external funding through applicable PG&E program and other sources

- **Innovation**: Significant innovation opportunity, especially related to high-volume transit and MUD charging requirements

- **Data**: Customer and geographic data analytics will help target related outreach and subsequent siting efforts
Prioritization Criteria

- Will identify critical needs and highest-priority opportunities for enabling vehicle electrification

- Transportation the largest single source of emissions within SVCE territory; access to convenient EV charging a key gating factor to expanding vehicle electrification

- Approaches and resources can be readily shared with customers, and leveraged with key partners

- Strategy and planning efforts will be especially focused on key needs related to transit, MUD, and EV charging access in disadvantaged communities

- SVCE a natural point of aggregation in supporting our member agency communities in expanding vehicle electrification
**SVCE Program Brief – Virtual Power Plant (GI1)**

2019 Q1 Revised Version

April 10, 2019

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Develop a program to monetize and harness the value that distributed energy resource (DER) aggregations (aka “virtual power plants”) in SVCE service territory can provide the grid to advance decarbonization and manage the anticipated load growth resulting from electrification.</td>
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<table>
<thead>
<tr>
<th>Key Challenges</th>
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<tbody>
<tr>
<td>• Widespread electrification of vehicles and buildings could be detrimental to the grid if not integrated into grid operations.</td>
</tr>
<tr>
<td>• There are limited market opportunities for DER aggregations (aka “virtual power plants”) to receive compensation for the value they can provide.</td>
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<tr>
<th>Goals</th>
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<tr>
<td>• Reduce emissions by supporting grid integration of renewables</td>
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<tr>
<td>• Monetize the value DERs can provide</td>
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<tr>
<td>• Promote additional DER deployment, including specifically those resulting from electrification activities</td>
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<td>• Harmonize DER management and operation with grid operations</td>
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<th>Program Approach</th>
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<tr>
<td><strong>General</strong></td>
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<tr>
<td>• Staff carried out initial informational discussions with industry stakeholders and market participants to inform and refine the scope of potential program(s) related to VPPs and grid integration. SVCE contracted with Gridworks to carry out a stakeholder engagement to solicit input and expertise from PG&amp;E, DER providers, other CCAs, state agencies, as well as SVCE’s member agencies, customers, community groups and local environmental advocacy organizations. Gridworks will first draft a “Virtual Power Plant Option Analysis”, which is a discussion paper produced for public review through subsequent stakeholder engagement. Gridworks will then solicit and receive feedback via one or more workshops and one-on-one interviews. The input will be used to update the discussion paper and to guide recommendations to SVCE. Contingent upon the outcome of the stakeholder engagement process, SVCE anticipates moving forward with an RFP to pursue the recommended program design shortly after the stakeholder engagement process is complete. Furthermore, by publishing the insights gained through this initiative, staff hopes to further the development of VPP Initiatives at other CCAs, and beyond.</td>
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<tr>
<td>• Stakeholders: PG&amp;E, DER providers, other CCAs, state agencies, as well as SVCE’s member agencies, customers, community groups and local environmental advocacy organizations</td>
</tr>
<tr>
<td>• Participants for the final program design are TBD.</td>
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</table>
Participation Criteria

- TBD

Program Evaluation, Measurement & Verification Plan

- TBD

Third-Party Support

- TBD

Resources

- $100k in Q1 FY2019; $1M for Q2 FY2020-Q1 FY2021

Staff Support

- 0.25 FTE through Q2 FY2021

Timeline

- Q1-Q2 FY2019 Concept, initial research
- Q3 FY2019 Concerted, public stakeholder engagement effort
- Q4 FY2019 RFP
- FY2020 Third-party partners identified; remaining program design complete; delivery

Program Sector & Activity Type

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Leverage

- Supports formation of partnerships with key stakeholders, including PG&E, DER providers, etc.; may be carried out in collaboration with other CCAs and municipal utilities
- Innovative, emerging concept critical for achieving a high penetration renewables grid
- Final program relies on VPP providers’ sophisticated data analytics to create a cloud-based, aggregated resource able to provide grid services
Prioritization Criteria

- Monetizes value provided by customer-cited DERs; part of value passed on by VPP provider to customers

- Realizes demand-side flexibility required to support high penetration renewables grid

- May be carried out in collaboration with other CCAs and municipal utilities or replicated by them to scale program and associated impact

- VPP provider could be compensated on a performance basis; program could be designed to include all customer types

- SVCE has as a load serving entity and community-facing agency in a unique position to deliver effective and compelling VPP program to advance our decarbonization goals
SVCE Program Brief - Customer Resource Center (EO1)
2019 Q1 Revised Version
April 10, 2019

Summary
Develop online 'customer resource center' and related physical tools/resources to enable engagement, awareness-building, education and action; help customers assess energy use, costs and impacts, and opportunities for vehicle and building electrification; market via SVCE emails, newsletter, community events

Key Challenges
- Lack of public awareness regarding the benefits of vehicle and building electrification, and available products and services
- Many residential and commercial customers are interested in learning more, but finding related information is difficult

Goals
- Raise awareness and facilitate action by providing SVCE customers and the community with engaging, useful and easily-accessed information and resources on energy use and the benefits of vehicle and building electrification

Program Approach
General
- Concept phase - completed concept development for customer resource center, including: key requirements, top-level messaging, content framework, key online and physical resource elements, third-party partners/RFP criteria; overall approach and phasing for design and implementation

Target Participants
- residential, small/medium business

Participation Criteria
- N/A

Program Evaluation, Measurement & Verification Plan
- TBD

Third-Party Support
- TBD

Resources
- $150,000 FY2019 (includes $100,000 in 2019 SVCE Marketing budget)
- $200,000 FY2020

Staff Support
- 1 FTE
Timeline

- Q2 FY2019 Scope and Concept Development
- Q3 FY2019 Design
- Q4 FY2019 Resource Center Pilot Launch
- Q1-Q4 FY2020 On-going Resource Center Buildout and Support

Program Sector & Activity Type

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Leverage

- Coordinate approach with selected CCAs; seek to leverage third-party enablement platform(s) and content providers
- Significant innovation opportunity; customer resources related to electrification and decarbonization currently highly fragmented
- Customer data analytics will help target resource center-related communications

Prioritization Criteria

- Helps expand awareness and enable customer action by providing useful information on the benefits of key products and services related to electrification
- Customer awareness and education identified as critical first steps for taking action on electrification and decarbonization
Online resources can be readily shared with customers, and leveraged with key partners

All customers will have access to resource center materials

Providing education on electrification and decarbonization an integral aspect of SVCE’s mission in supporting our member agency communities
SVCE Program Brief – Community Engagement Grants (EO2)
2019 Q1 Revised Version
April 10, 2019

Summary
SVCE will direct Community Engagement Grants to local nonprofits to provide underrepresented and hard-to-reach electricity customers with information about SVCE’s mission, benefits, programs and upcoming changes on residential energy bills. These organizations will play a critical role in helping the agency reach a broader audience, and in defining and promoting future programs.

Key Challenges
- Underrepresented populations are difficult to access due to a lack of trust for a new organization or government entity, or language barriers creates a need for diverse messaging and communications methods.
- Lack of public awareness regarding the benefits Silicon Valley Clean Energy, as well as discount program eligibility

Goals
- Increase understanding among underrepresented customers of Silicon Valley Clean Energy, its mission and benefits
- Increase understanding of how SVCE savings appear on residential energy bills, and knowledge of eligibility for energy discount, efficiency and associated programs
- Gather input from underrepresented customers to inform future program offerings

Program Approach
General
- Grants are awarded to organizations that can provide messaging to a desired number of households in the SVCE service territory. Outreach may include a mix of in-person presentations and conversations at events, email blasts based on confirmed open rate, confirmed traditional media and/or social media reach, and other creative outreach ideas based on your organization’s capacity.

Target Participants
- Low-income residents
- Seniors
- Customers eligible for Medical Baseline discounts
- Customers with low English language proficiency
- Milpitas, south county (Morgan Hill/Gilroy) and unincorporated county residents

Participation Criteria
- N/A

Program Evaluation, Measurement & Verification Plan
- Grant deliverables require a final report with the following information:
  - Expenses and administrative costs by line item
• Statistics on how many people were reached by each outreach method
• Estimated demographics of people reached based on target populations
• Community feedback on SVCE messaging
• Community input on programs
• Lessons learned

Third-Party Support
• Grantees are encouraged to collaborate with each other when there are opportunities to partner and expand their reach to their respective audiences.

Resources
• $100,000 FY2019 ($75,000 for grant awards, $25,000 allocated to additional marketing materials and support, such as translation services)
• $100,000 FY2020

Staff Support
• .25 FTE

Timeline
• Q1 FY 2019 Grants awarded, contracts executed, kick-off meeting
• Q2 FY 2019 Provide updated materials to grantees with new rate information, setup presentations and meetings
• Q3 FY 2019 Majority of outreach events performed, administer surveys
• Q4 FY 2019 Final reports due, open up grant cycle for FY 2020

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Leverage

Leveraging trusted community organization to reach out to their existing clients and members to inform customers of SVCE program offerings and benefits.

Opportunity to for SVCE and grant recipient organizations to come up with innovation methods and messaging to engage customers and drive interest in their energy use.
Customers will provide valuable input to SVCE from survey data administer and collected by grant recipient organizations.

### Prioritization Criteria

**Customer & Community Value**

Helps expand awareness and enable customer action by providing useful information on the benefits of key products and services offered by SVCE.

**Emissions Impact**

Customer awareness and education identified as critical first steps for acting on electrification and decarbonization.

**Scalable and Transferable**

Retaining customer interest in SVCE activities will provide for a useful database to offer future programs and build an advocate base when needed.

**Equity in Service**

All customers will have access to SVCE offerings in their preferred communication methods and language.

**Core Role for SVCE**

Providing education on SVCE’s offerings from carbon-free power supply, competitive rates and electrification to all customer segments, and collecting input for all customers to inform the agency’s future offerings.
SVCE Program Brief – Innovation Partners (IN1)
2019 Q1 Revised Version
April 10, 2019

Summary
SVCE’s service territory – Silicon Valley – is arguably the global epicenter of innovation. As such, SVCE has a unique opportunity to engage with the innovation ecosystem to voice SVCE’s vision and goals to mitigate climate change and to encourage focus on innovations that accelerate the transition to a decarbonized economy. Examples of engagement by SVCE include but are not limited to speaking at events, participating in technical advisory groups, and launching pilot projects for promising, innovative products and services through the “Innovation Onramp” program (described in a separate program brief). SVCE will enter into memorandums of understanding (MOUs) and other forms of partnership agreements with key strategic partners. Near-term activities with partners include sponsoring existing innovation events (hackathons, challenges, etc.) and launching an SVCE-led innovation challenge in Fall 2019.

Key Challenges
- Start-up investment activities in the energy sector are dominated by companies with vested interests in fossil fuels that may not share SVCE’s vision and goals for decarbonization.
- Engaging individually with hundreds of start-ups, corporates, academics, industry practitioners, etc. would be inefficient and prohibitively staff and resource intensive.

Goals
- Forge key strategic partnerships to efficiently engage the local innovation ecosystem.
- Voice SVCE’s vision and goals to mitigate climate change, and encourage focus on innovation that accelerates transition to a decarbonized economy.
- Play a role in moving promising technologies, products, and policies through the process toward commercialization and scale.

Program Approach
General
- SVCE will enter into MOUs and other forms of partnership agreements describing overlapping interests, complementary capabilities, and near-term opportunities to engage. MOUs have been executed with Prospect Silicon Valley and Joint Venture Silicon Valley.
- Identify a partner to administer an SVCE-led innovation challenge in Fall 2019.

Target Participants
- N/A

Participation Criteria
- N/A

Program Evaluation, Measurement & Verification Plan
- N/A
Third-Party Support

- N/A

Resources

- Budget included under “Innovation Onramp” to cover any partnerships requiring financial resources (From “Innovation Onramp”: $1.2M over two-year period (Q2 FY2019-Q1 FY2021), with $1M reserved for grants and $200k reserved for third-party support and partnerships)

Staff Support

- 0.25 FTE for managing both Innovation Partners and Innovation Onramp

Timeline

- Q1 FY2019 – Executed MOUs with key strategic partners
- Q2-Q3 FY2019 – Design and plan SVCE-led innovation challenge
- Q3 FY2019 – Sponsor and participate in existing innovation challenges (Stanford Cleantech Challenge, Powerhouse SunCode hackathon, etc.)
- Q4 FY2019 – Carry out SVCE-led innovation challenge
- FY2020 – Evaluate results of program in FY19 & identify how to best proceed

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Leverage

- Primary goal is identifying and engaging key partners to efficiently engage and influence the innovation ecosystem

(same as above) Primary goal is identifying and engaging key partners to efficiently engage and influence the innovation ecosystem
Significant fraction of start-up initiatives expected to focus on harnessing the value of data

**Prioritization Criteria**

SVCE will voice support for innovation that achieve the first four criteria: customer & community value, emissions impact, scalable & transferable, and equity in service. Additionally, the criteria are addressed below for the Innovation Partners program as a whole.

- **Customer & Community Value**
  Provides a voice for SVCE customers and the community in the innovation ecosystem to enhance value from emerging products and services

- **Emissions Impact**
  Achieving deep decarbonization requires significant innovation, which is the focus of this program

- **Scalable and Transferable**
  Proposed program could be scaled to the broader CCA community and beyond

- **Equity in Service**
  SVCE will voice the need for innovation to serve all customer segments, including those traditionally under-represented (e.g. low income)

- **Core Role for SVCE**
  SVCE’s core mission is to reduce greenhouse gas emissions, which will require significantly more innovation to achieve – SVCE’s engagement in the innovation ecosystem can influence innovation that supports achieving this mission
SVCE Program Brief – Innovation Onramp (IN2)
2019 Q1 Revised Version
April 10, 2019

Summary
Innovation Onramp is a program to provide grant funding to work with external partners and customers in launching promising, innovative pilot projects. The program consists of an application process with transparent evaluation criteria and requirements, a quarterly application deadline, and standardized partnership agreements.

Key Challenges
- SVCE currently lacks standardized agreements and defined and transparent processes and policies to nimbly engage with external partners and customers on innovative pilot projects.

Goals
- Engage external partners to carry out pilots that will accelerate innovation in support of SVCE’s decarbonization mission.

Program Approach
General
- Establish standardized partnership agreements, an application, and transparent evaluation criteria and program requirements. Define an internal, quarterly review process to evaluate applications and select program participants. Provide grant funding to cover costs associated with selected pilots. Two stages of grant funding available:
  - Stage 1: $10,000-$75,000 for proofs of concept
  - Stage 2: $50,000-$100,000 for demonstrations

Target Participants
- The program will be open to any external partners. Expected program participants include start-ups, corporates, academic researchers, C&I customers and member agencies.

Participation Criteria
- Primary evaluation criteria will be the five prioritization criteria of all SVCE program activities (customer & community value, emissions impact, scalable & transferable, equity in service, core role for SVCE). Secondary evaluation criteria include, but is not limited to, anticipated staff resource impact, overlap in existing/planned program activities, potential to inform future program activities upon successful completion of the pilot, and acceptance of SVCE’s standard contract terms.

Program Evaluation, Measurement & Verification Plan
- A robust plan for evaluation, measurement and verification (EM&V) will be defined for each individual project. A proposed EM&V plan will be requested from the applicant, which will be refined with SVCE staff, as needed, and incorporated into the scope of work of the partnership agreement.
**Third-Party Support**

- Given limited staff resources, third-party support will likely be needed for activities such as project management, and evaluation, measurement & verification. Staff will issue an RFP for program admin support in April 2019.

**Resources**

- $1.2M over two-year period (Q2 FY2019-Q1 FY2021), with $1M reserved for grants and $200k reserved for third-party support and partnerships

**Staff Support**

- 0.25 FTE for managing both Innovation Partners and Innovation Onramp

**Timeline**

- Q1 FY2019 – Develop standardized contracts and budget proposal for Board review.
- Q2 FY2019 – Complete program design & launch program.
- Q3 FY2019-Q4 FY2021 – Run program. Manage program and provide regular updates to Board through existing reporting and review processes (annual budget review, annual programs portfolio review, CEO reports, etc.).

**Program Sector & Activity Type**

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**Leverage**

- Primary goal of program is engaging with external partners on innovative pilot projects that show promise to support SVCE’s mission

- Primary goal of program is engaging with external partners on innovative pilot projects that show promise to support SVCE’s mission
Significant fraction of start-up initiatives expected to focus on harnessing the value of data

Prioritization Criteria
These prioritization criteria will comprise the primary evaluation criteria incorporated in the program application process. Additionally, the criteria are addressed below for the Innovation Onramp program as a whole.

Member agencies and customers are prospective participants, and receive direct and indirect value from the program

Achieving deep decarbonization requires significant innovation, which is the focus of this program

Proposed program could be scaled to the broader CCA community and beyond

Creating an open solicitation for innovation pilots will attract applicants serving all parts of the customer base

SVCE’s core mission is to reduce greenhouse gas emissions, which will require significantly more innovation to achieve – SVCE’s support of pilots will influence innovation that supports achieving this mission
Staff Report – Item 1j

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1j: Executive Committee Report

Date: 8/14/2019

No report as the Executive Committee has not met since May 24th, 2019. The next meeting of the group is scheduled for August 23rd, 2019, 9:30 a.m., at the SVCE Office.
To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 1k: Audit Committee Report

Date: 8/14/2019

No report as the Audit Committee has not met since June 5th, 2019. The next meeting of the group is scheduled for December 4th, 2019, 11:30 a.m., at the SVCE Office.
Staff Report – Item 2

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 2: CEO Report

Date: 8/14/2019

REPORT

SVCE Staff Update
Rebecca Fang joined SVCE on July 1, 2019, as an Associate Data Analyst on the Decarbonization & Grid Innovation team. Rebecca has a bachelor’s degree in Environmental Engineering from the University of Southern California and recently graduated with an MS in Civil and Environmental Engineering from Stanford University. She previously worked as an electric vehicle research fellow at the Natural Resources Defense Council, focusing on EV market and policy in China.

Long-term Renewable RFP Update
Monterey Bay Community Power (MBCP) and SVCE have wrapped-up analysis on the more than 186 offers received through its 2019 Request for Proposal (RFP) for Carbon-free Power Supply, which closed on May 17th, 2019. After extensive evaluation and modeling, nine developers were shortlisted and notified in early July 2019 of the two CCA’s intent to enter into a Power Purchase Agreement (PPA) for all or a portion of output from their respective projects. Combined, the two entities are pursuing more than 2,000 GWh representing approximately 20 percent of each CCA’s respective needs of new renewable electricity to meet California’s Renewable Portfolio Standard (RPS) requirements and long-term contracting mandates for Compliance Period Four (2021 through 2024). SVCE/MBCP will strive to successfully negotiate PPAs with all shortlisted vendors but anticipate one or more projects may fall through. Additionally, the two agencies are evaluating the risk of delayed construction on existing signed PPAs and the ones currently being considered and therefore need to procure additional long-term RPS resources beyond those which have been shortlisted.

Term sheets with basic commercial terms have been sent or are in process of being sent to all shortlisted developers followed along with an exclusivity agreement and request to secure negotiations through a bid deposit. Successful negotiations will result in final PPAs for Board consideration and approval hopefully by December 2019.

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

1) Edward Bedwell: Amendment for time extension; consulting services
2) Ascend Analytics: General Consulting, Software Tools and support services, not to exceed $8,500
3) Donna Musselman Workplace Consulting: Amendment; facility consulting services, not to exceed $13,750
4) Flynn Resources: General Consulting, software tools and support services, not to exceed $25,000
5) Municipal Resource Group: Amendment; Human Resources services, not to exceed $19,575
6) NewGen Strategies & Solutions: Amendment; Advice and expert testimony in PG&E 2020-22 GRC, not to exceed $18,571
7) M.CUBED: Amendment; Professional services, not to exceed $3,167
8) Newmark Knight Frank: Real Estate Advisory Services Agreement, shall not exceed six percent (6%) of the base rental due for any given year of the lease
9) Vietnamese Voluntary Foundation: Amendment; Community Outreach Services, revised compensation section of the agreement
10) Keyes & Fox: Application 19-06-001, not to exceed $22,000
11) Keyes & Fox: Legislative Support, not to exceed $10,000
12) ADM: Program Design Consultation for Evaluation, Measurement & Verification, not to exceed $25,650
13) UtilityAPI: Energy Data Exchange Platform Pilot, not to exceed $279,000
14) CSE: Innovation Onramp Program Management, $103,145
15) SMUD: For Ell-Electric Showcase Award Program Support, $24,150
16) SMUD: For Heat Pump Water Heater Program Support, $61,350
17) Pacific Printing: Amendment; printing services
18) Pillsbury Winthrop Shaw Pittman LLP: Tax and employee-benefits matters, not to exceed $7,500
19) Community Choice Partners: Amendment, Consulting Services, extension of time
20) Bryce: Human Resources Services, not to exceed $24,500

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

<table>
<thead>
<tr>
<th>Counter Party Name</th>
<th>Execution Date</th>
<th>Transaction Type</th>
<th>Product</th>
<th>Start Date</th>
<th>End Date</th>
<th>Notional Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monterey Bay Community Power</td>
<td>5/21/2019</td>
<td>Purchase</td>
<td>Carbon-Free Energy</td>
<td>6/1/2019</td>
<td>12/31/2019</td>
<td>$333,000.00</td>
</tr>
<tr>
<td>NextEra</td>
<td>6/21/2019</td>
<td>Purchase</td>
<td>Physical Hedge Energy</td>
<td>11/1/2019</td>
<td>9/30/2020</td>
<td>$25,675,137.00</td>
</tr>
<tr>
<td>Ohm Connect</td>
<td>7/5/2019</td>
<td>Purchase</td>
<td>Resource Adequacy</td>
<td>9/1/2019</td>
<td>9/30/2019</td>
<td>$72,000.00</td>
</tr>
<tr>
<td>Morgan Stanley Capital Group</td>
<td>7/24/2019</td>
<td>Purchase</td>
<td>Physical Hedge Energy</td>
<td>10/1/2020</td>
<td>12/31/2020</td>
<td>$6,010,617.65</td>
</tr>
<tr>
<td>Sonoma Clean Power</td>
<td>7/12/2019</td>
<td>Sale</td>
<td>Resource Adequacy</td>
<td>10/1/2019</td>
<td>10/31/2019</td>
<td>$19,500.00</td>
</tr>
</tbody>
</table>

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

ATTACHMENTS
1. Decarb & Grid Innovation Programs Update, August 2019
2. Account Services & Community Relations Update, August 2019
3. Regulatory and Legislative Update, August 2019
1. EV Charging Infrastructure Joint Action Plan

- Plan identified as 2019 priority in roadmap
- Development in final stages
- Significant stakeholder input gathered to identify & prioritize EVSE programs and activities
  - 665 customer survey responses received
  - 25+ industry/stakeholder survey responses and attendees at both first (4/25) and second (5/31) workshops
- Board presentation scheduled for September, program roll-out beginning in fall
2. CALeVIP Update

- SVCE formed regional coalition to pursue state block grant funding from CEC
- Currently working with coalition and CEC to finalize draft program requirements
- CEC scheduled CALeVIP public workshop on Aug 13 at PCE offices in Redwood City*
- Funding decision from CEC expected imminently

*Public notice: https://www.energy.ca.gov/event/workshop/2019-08/staff-workshop-2020-california-electric-vehicle-infrastructure-project
3. All-Electric Showcase Awards

- Program launched in June to offer awards to showcase existing all-electric buildings within our community
- Program covers multiple residential and commercial property types (table below)
- Application closed August 2, staff currently selecting awardees
- Awardee photos and info to be used for education and outreach materials to raise awareness and support reach code efforts

<table>
<thead>
<tr>
<th>Residential</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family (1 housing unit)</td>
<td>Hotel</td>
</tr>
<tr>
<td>$3,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Accessory Dwelling Unit (ADU)*</td>
<td>Office</td>
</tr>
<tr>
<td>$2,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Multifamily*</td>
<td>Retail</td>
</tr>
<tr>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>* Additional $1,000 bonus for multifamily projects that qualify as affordable housing (see supporting documentation requirements in the application)</td>
<td>Restaurant</td>
</tr>
<tr>
<td></td>
<td>$5,000</td>
</tr>
<tr>
<td></td>
<td>Other Non-residential</td>
</tr>
<tr>
<td></td>
<td>$5,000</td>
</tr>
<tr>
<td></td>
<td>District Heating System</td>
</tr>
<tr>
<td></td>
<td>$5,000</td>
</tr>
</tbody>
</table>
4. FutureFit Home Program

- Program launched in June, to provide rebates to replace natural gas with heat pump water heaters (rebate table below)
- Received >60 applications to date (total program capacity of 100)
- Released buyer’s guide (right)
- Co-funded by BAAQMD

<table>
<thead>
<tr>
<th>Program Rebates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Heat Pump Water Heater Only</td>
<td>$2,000</td>
</tr>
<tr>
<td>Data Monitor</td>
<td>$300</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Optional Additional Rebates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Performance Package</td>
<td>$1,500</td>
</tr>
<tr>
<td>Service Panel, upgrade to 200A</td>
<td>$2,500</td>
</tr>
<tr>
<td>CARE/FERA eligible customer</td>
<td>$1,500</td>
</tr>
</tbody>
</table>
5. Other Updates

- **Reach codes update** agendized as discussion item
- **Virtual Power Plant Initiative**: updated discussion paper & refined program recommendations for SVCE finalized in early August; program design and RFP on track for fall 2019
- Stanford PhD candidate **Rajintha Shivaram awarded a National Science Foundation’s INTERN grant** to fund a non-academic internship with SVCE to study urban efficiency and decarbonization
### 1. Outreach Events & Sponsorships

- Staff wrapped up the series of regional workshops to help solar customers better understand Net Energy Metering bills.
- SVCE tabled at summertime family events and garnered interest in the heat pump water heat program.
- SVCE summer high school intern presented to high school students on clean energy and SVCE.

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun. 23</td>
<td>10 AM – 6 PM</td>
<td>Fiesta Oaxaqueña- tabling</td>
<td>Santa Clara County Fairgrounds</td>
</tr>
<tr>
<td>Jul. 23</td>
<td>5 - 7 PM</td>
<td>Los Gatos Music in the Park – tabling</td>
<td>Los Gatos</td>
</tr>
<tr>
<td>Jul. 11</td>
<td>7 – 8 PM</td>
<td>Sunnyvale Solar NEM Workshop – (Sunnyvale, Cupertino, Milpitas unincorporated Stanford invited)</td>
<td>Sunnyvale Community Center</td>
</tr>
<tr>
<td>Jul. 13 &amp; 14</td>
<td>10 AM – 6 PM</td>
<td>Los Altos Art and Wine Festival – tabling</td>
<td>Los Altos</td>
</tr>
<tr>
<td>Jul. 16</td>
<td>6 – 8 PM</td>
<td>BayREN Homeowner’s Workshop – presentation</td>
<td>Mountain View Council Chambers</td>
</tr>
<tr>
<td>Jul. 18</td>
<td>5 – 8:30 PM</td>
<td>Mountain View Thursday Night Live! – tabling</td>
<td>Mountain View</td>
</tr>
</tbody>
</table>

Los Altos Art and Wine Festival
## 1. Outreach Events & Sponsorships (cont’d.)

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul. 23</td>
<td>3 – 4 PM</td>
<td>Morgan Hill YMCA Teen Summer Camp – <em>presentation</em></td>
<td>Morgan Hill Teen Center</td>
</tr>
<tr>
<td>Jul. 23</td>
<td>7 – 8 PM</td>
<td>Monte Sereno Youth Commission – <em>presentation</em></td>
<td>Monte Sereno City Hall</td>
</tr>
<tr>
<td>Jul. 26</td>
<td>9 – 10 AM</td>
<td>Morgan Hill Youth Action Council – <em>presentation</em></td>
<td>Morgan Hill</td>
</tr>
<tr>
<td>Jul. 28</td>
<td>10 AM – 4 PM</td>
<td>Saratoga Classic &amp; Cool Car Show – <em>tabling</em></td>
<td>Saratoga</td>
</tr>
<tr>
<td>Aug. 6</td>
<td>6:30 – 8 PM</td>
<td>Milpitas National Night Out – <em>presentation</em></td>
<td>Milpitas</td>
</tr>
<tr>
<td>Aug. 8</td>
<td>10:30 AM – 1:30 PM</td>
<td>NASA Ames Summer Picnic – <em>tabling</em></td>
<td>Mountain View</td>
</tr>
<tr>
<td>Aug. 8</td>
<td>5 – 8:30 PM</td>
<td>Mountain View Thursday Night Live! – <em>tabling</em></td>
<td>Mountain View</td>
</tr>
</tbody>
</table>

Mountain View BayREn Energy Workshop
## 2. Customer Participation

<table>
<thead>
<tr>
<th></th>
<th>Upgrade</th>
<th>Opt Out</th>
<th>Opt Outs by Account Type</th>
<th>Total Opt Out, All Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1,170</td>
<td>9,135</td>
<td>3.76%</td>
<td>3.69%</td>
</tr>
<tr>
<td>Commercial</td>
<td>1,994</td>
<td>874</td>
<td>3.12%</td>
<td></td>
</tr>
</tbody>
</table>
3. Community Outreach Grants

- In-Language Energy Workshops
  - VIVO (Vietnamese Voluntary Foundation)
    - August 11 at 2:00 p.m.; Milpitas Public Library
  - Sound of Hope Radio (Chinese radio)
    - August 25 at 2:30 p.m.; Sunnyvale Community Center
  - Acterra:
    - July 12 at 10:00 a.m.; Morgan Hill
    - July 20 at 11:00 a.m.; Gilroy
    - July 22 at 1:00 p.m.; Morgan Hill
    - August 3 at 11:00 a.m.; Mountain View
    - August 10 at 10:30 a.m.; Sunnyvale
4. Member Agency Working Group Update

• The June MAWG meeting was a special Reach Code-focused meeting that included buildings staff in addition to the regular MAWG attendees.
  o Nearly 40 attendees participated
• The July meeting provided an update on the following programs:
  o Virtual Power Plant
  o Innovation Programs
  o All-Electric Showcase Awards
  o Heat Pumps
  o Reach Codes
• The July meeting also included a discussion about the EVSE Strategy
5. Media

Latest SVCE News

• SMUD to provide CCA with decarbonization tools, American Public Power Association, 07-02-19
• Workshop to answer clean energy billing questions, Cupertino Today, 07-08-19
• Cupertino community briefs– All-electric Awards, Mercury News, 07-06-19 & 07-21-19

Industry News Mentions

• PG&E used to be Silicon Valley’s electricity provider. No more. Silicon Valley Business Journal, 07-11-2019 [see print version due to online paywall]
• San Mateo scopes new green building codes, The Daily Journal, 08-02-19
• MidPen Receives Environmental Award For Climate Action Plan, Los Altos Patch, 07-09-19
• Midpen receives award for climate action plan, Los Altos Town Crier, 07-24-19
• Oakland to Swap Jet-Fuel-Burning Peaker Plant for Urban Battery, Greentech Media, 06-26-19
• Wholesale power sales to California’s Community Choice Aggregators up 114% in Q1, S&P Global, 06-17-19
Welcome back. With two months to cover we have plenty to report. A new focus on reliability in the Integrated Resource Planning proceeding, hard-won legislative victory on central procurement, and more crossover between proceedings than ever.

Regulatory

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

The last time we discussed the Integrated Resource Planning proceeding was in April, when the Commission passed a Decision rejecting most of the CCA IRPs for providing too little analysis of criteria pollutant emissions. We have since filed the requested supplementary analysis, and the Commission certified our updated IRP on 7/15. However, the April Decision also raised concern about future resource shortfalls based on analysis of the aggregated 2018 IRPs, and announced a forthcoming procurement track (ie a new section of the proceeding) to direct remedial procurement.

That track was kicked off with a Ruling on 6/20. The Ruling presents original Commission staff analysis concluding that CA is increasingly dependent on imports to meet Resource Adequacy requirements, and is in danger of a system capacity shortfall as soon as 2021. The Ruling proposes three solutions: 2,000 MW of new peak capacity to be procured on a pro rata basis by all Load Serving Entities (LSEs) and online by 8/1/2021; an additional 500 MW of capacity procurement by Southern California Edison from existing resources currently lacking contracts past 2021, which will be recovered from all ratepayers statewide through the Cost Allocation Mechanism (an existing non-bypassable charge); and delays in the currently scheduled retirement of several Once Through Cooling (OTC) natural gas plants.

CalCCA commissioned its own analysis to determine the appropriate response to the Ruling’s findings and suggestions. The results directionally support the Commission’s concern over upcoming system capacity shortfalls driven by a combination of natural gas plant retirements, changing weather conditions that can cause region-wide demand spikes and/or hydro shortages, and the dynamics governing how imported capacity interacts with the RA framework. However, the linkage between the Ruling’s analysis and its specific procurement recommendations is amorphous enough that CalCCA recommends more detailed analysis before formalizing the recommended procurement measures in a Decision. CalCCA submitted comments to this effect on 7/22, and reply comments are due 8/12. The Commission has scheduled workshops on this topic for this fall, followed by a Decision that would formalize any new procurement requirements the Commission decides on. SVCE and CalCCA will continue to engage on this issue with the goal of clarifying system needs and moving to avert shortfalls without imposing unnecessary procurement mandates that would raise ratepayer costs.

Elsewhere on IRP, we are working towards the due date for our 2020 Integrated Resource Plan: May 1, 2020. One aspect of this project will be seeking Board review of and input on policies governing future SVCE procurement. You can expect opportunities for that this fall, starting with the procurement workshop to be scheduled for September. On a different note, one of the CPUC’s criticisms of the previous round of IRPs was that LSEs did not coordinate, resulting in LSEs collectively planning to contract for more of certain resources than is available and not picking up others. In order to better address this issue in the 2019-2020 IRP cycle, SVCE is participating in a joint IRP effort with five other CCAs. We have issued an RFP for a consultant to conduct the modeling work that goes into an IRP jointly...
for our group, and intend to bring the contract for these services to the Board for approval in September or October.

Resource Adequacy (RA; R.17-09-020)
With the increasing focus on capacity and reliability issues in the IRP proceeding, the overlap between Resource Adequacy and Integrated Resource Planning is larger than it’s ever been. Shortly after the 6/20 IRP Ruling, the Commission issued a Ruling in the RA proceeding requesting stakeholder input on whether the rules governing imported RA should be updated or changed to help prevent a system capacity shortage. Elsewhere in the proceeding, we are awaiting a Proposed Decision on the structure of the new central buyer for local RA.

Power Charge Indifference Adjustment (PCIA; R.17-06-026)
Implementation of last October’s PCIA Decision through three Commission-mandated stakeholder working groups continues. Working Group 1, which dealt with updates to how the Market Price Benchmark (and thus the PCIA) is calculated, has concluded and made its final recommendations to the Commission. We expect a Commission Decision adopting these in time for implementation in the November update of the PG&E 2020 ERRA forecast proceeding (see below). Working Group 2 is developing a prepayment option for the PCIA, and is awaiting scheduling of the next workshop.

Working Group 3 is looking at the longer-term issues of valuation, transfer, and allocation of IOU excess resources in all categories: Brown Power, Renewables and RA. The WG has so far proposed a framework for allocation of excess Local RA, sales of excess system/Flex RA, and GHG-free resource voluntary allocation and auction clearinghouse (VAAC). The WG will also focus on determining an appropriate mechanism for transfer of RPS attributes via excess RPS sales structures and allocations. Proposed and final Decisions for WG3 are expected Q2 2020.

Ratesetting
Ratesetting for 2019 (A.18-06-001) has reached its extended conclusion, but we’re already moving forward on several other ratesetting proceedings. Ratesetting for each year consists of two different Energy Resource Recovery Account (ERRA) proceedings: an ERRA forecast proceeding the year before to set the rates, and an ERRA compliance proceeding the year after to determine whether the IOU’s implementation of the directives in the forecast proceeding was carried out satisfactorily. PG&E’s 2020 ERRA Forecast proceeding (A.19-06-001), where the 2020 PCIA and PG&E generation rates will be calculated, began and thus far continues on schedule. However, this round will have to incorporate the updates to the RPS and Resource Adequacy portions of the Market Price Benchmark (MPB) currently being developed in Working Group 1 of the PCIA proceeding. Given that incorporation of just the update to the Brown Power portion of the MPB delayed calculation of 2019 rates by half a year, we expect similar delays to develop in the 2020 ERRA Forecast proceeding as the year progresses. We are simultaneously working in PG&E’s 2018 ERRA compliance proceeding (A.19-02-018) to address a misallocation of $141 million between 2012 and 2018 that PG&E charged to the PCIA revenue requirement when it should have been recovered through the CAM.

One level of organization above the annual rhythm of ERRA proceedings is the General Rate Case (GRC). GRCs happen in three year cycles, and are where each IOU’s revenue requirement is set. The ERRA proceedings ensure that rates each year align with the cost recovery principles approved in the most recent GRC. SVCE is currently participating jointly with Peninsula Clean Energy and East Bay Clean Energy in PG&E’s 2020-2022 GRC (A.18-12-009). We submitted expert testimony on 7/26, and are expecting the proceeding to continue through next year.
Direct Access (DA; R.19-03-009)
This rulemaking is the implementation vehicle for SB 237, the direct access expansion law passed in the 2018 legislative session. The most recent Decision in this proceeding set the schedule and process by which the 4000 GWh of additional DA eligibility the law created would be rolled out. This 4000 GWh statewide will all be departing on January 1, 2021, but which commercial/industrial customers may participate will be determined by two different lotteries. We should receive the results of the first lottery in September 2019 and the second lottery in February 2020.

Meanwhile, we are about to begin Phase 2 of this proceeding. In addition to the 4000 GWh immediate DA expansion, SB 237 required the CPUC to conduct a study of what full DA reopening for nonresidential customers would look like and the impacts it would have on the electricity system. Developing this study will be Phase 2 of the proceeding, and should begin in Q3 2019 with the release of a Scoping Ruling. We have begun internal preparations for participation through collaboration with other CCAs and CalCCA.

Legislative
The legislature has been on summer recess since 7/12, so we’re partway through the lull proceeding the August/September final sprint. The session leading up to recess ended with a major victory, as AB 56 (Garcia) was defeated in the Senate Energy, Utilities, and Communications committee. AB 56 would have instituted a central buyer for a variety of energy and capacity products, in excess of demonstrated need and preempting the more stakeholder-driven central buyer development process happening in the RA proceeding. Thank you for all your outreach on this one; it was a very tense hearing that came down to the wire! Senator Hill voted against it, so please thank him when you see him.

Around the same time that AB 56 failed, Senate Majority Leader Robert Hertzberg withdrew SB 350, a spot bill he had signaled intent to turn into a central buyer bill. This is the first year of the current two-year legislative cycle, so we fully expect the central buyer concept to return next session or as soon as the end of this session. However, this respite gives us important time for the RA central buyer proposal developing at the CPUC to mature, and to work with legislators to ensure that any central buyer bill is more in accordance with demonstrated need (ie RA only) and does not unduly increase ratepayer costs or infringe on CCA procurement authority.

Elsewhere, the last several weeks of the session before recess were consumed by debate on and passage of a major fire bill, AB 1054. Standard and Poor warned that it would downgrade the credit ratings of the remaining CA IOUs to junk status (PG&E already is) if the legislature didn’t pass a law before recess that would provide a safety net against future fire liabilities. AB 1054 is that bill, passed on an extraordinarily rapid timeline given that most bills will not leave the legislature, let alone be signed by Governor Newsom, before mid-September. AB 1054 provides for a $21 billion Wildfire Fund that will be used to cover future fire-related damages. The $21 billion will come half from shareholders and half from ratepayers, so we can expect a new non-bypassable charge in the future to collect the ratepayer portion. The Commission has already opened Rulemaking 19-07-017 to oversee the development of this NBC, which SVCE will be tracking and participating in.

The legislature will reconvene on 8/12, and all bills must pass the legislature by 9/13. Governor Newsom then has until 10/13 to sign bills into law.
## AUGUST 2019

- **Board of Directors, Aug 14:**
  - Consent
  - Minutes
  - July 2019 Treasurer Report
  - Policy Updates
  - IT Policy Updates
  - Maher Accountancy Agreement
  - Line of Credit Renewal
  - Approve Workforce Development Program
  - Notification of Proposed Amendments to Operating Rules and Regulations
  - 2018 Greenhouse Gas Emissions Inventory Update
  - Innovation Programs Update and Roadmap
  - Regular Calendar
  - Adoption of Proposed FY 19/20 Budget
  - EVSE - Approval
  - HPWH Update
  - Workshop
  - IRP/Power Supply Workshop

- **Executive Committee, Aug 23:**
  - Workforce Development Update
  - Operating Rules and Regulations Update
  - SVCE Customer Communications

- **Finance and Administration Committee, August 6:**
  - Power Prepay Discussion
  - Proposed FY 19/20 Budget Review

## SEPTEMBER 2019

- **Board of Directors, Sept 11:**
  - Consent
  - Minutes
  - July 2019 Treasurer Report
  - Policy Updates
  - IT Policy Updates
  - Maher Accountancy Agreement
  - Line of Credit Renewal
  - Approve Workforce Development Program
  - Notification of Proposed Amendments to Operating Rules and Regulations
  - 2018 Greenhouse Gas Emissions Inventory Update
  - Innovation Programs Update and Roadmap
  - Regular Calendar
  - Adoption of Proposed FY 19/20 Budget
  - EVSE - Approval
  - HPWH Update
  - Workshop
  - IRP/Power Supply Workshop

- **Executive Committee, Sept. 27:**
  - Special Presentation on Specific Decarbonization Programs

- **Finance and Administration Committee, TBD:**
  - Power Prepay Discussion

## OCTOBER 2019

- **Board of Directors, Oct 9:**
  - Consent
  - Minutes
  - August 2019 Treasurer Report
  - Cybersecurity contract *tentative*
  - Benefits Package Update
  - Legislative Platform Update
  - Approval of Amendments to Operating Rules and Regulations
  - Approval of Bike to the Future Scholarship

- **Executive Committee, Oct. 25:**
  - Power Prepay Discussion

- **Finance and Administration Committee, TBD:**
  - Power Prepay Discussion

## NOVEMBER 2019

- **Board of Directors, Nov 13:**
  - Consent
  - Minutes
  - September 2019 Treasurer Report
  - Regular Calendar
  - Power Prepay discussion
  - VPP Program Update

- **Executive Committee, Nov. 22:**
  - Special Presentation on Specific Decarbonization Programs

- **Finance and Administration Committee, TBD:**
  - Power Prepay Discussion
Staff Report – Item 3

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

Item 3: Approve 2020 Time-of-Use Rate Transition for Residential Customers

Date: 8/14/2019

RECOMMENDATION
Staff recommends that the Board approve an October 2020 transition of residential Tiered-Rate customers to Time-of-Use rates and implementation of a 12-month bill protection policy.

BACKGROUND

Changing Grid Dynamics

California leads the nation in solar energy generation, with thousands of megawatts of new solar capacity deployed over the last decade. This has transformed the state’s wholesale electricity market. Now, during the mid-day peak demand period (e.g. 11am to 3pm) California’s grid is flooded with inexpensive solar power, and excess power is sometimes exported to other states at negative prices.

The abundance of solar power has shifted peak demand for conventional generation to later in the day (4pm to 9pm), when residential energy use peaks and solar generation wanes. To meet this requirement, grid operators must call on natural gas-powered generators to rapidly ramp up operations for a few hours in the evening, increasing costs and GHG emissions. Viewed graphically, the steep ramp of natural gas-fired generation to meet demand in the evening hours is referred to as “the Duck Curve”. Wholesale electricity prices for power during the evening peak are now typically 50-100% more expensive than at other hours of the day.

Tiered Rates vs. Time-of-Use Rates

To date, tiered rate structures have been standard for residential customers. In PG&E territory, the standard tiered residential rate schedule is designated ‘E1.’ Customers are charged on a volumetric basis, with increasing rates based on total monthly electricity usage. Customers are allowed a monthly “baseline” quantity of electricity usage at a low rate, determined by climate zone and kilowatt-hours typically required per day. The baseline rate is then increased through two higher-priced rate tiers, depending on customers’ usage beyond the baseline quantity. This schedule’s pricing is not time-dependent.

Tiered pricing is designed to reward efficiency and reduce power use. However, it is not ineffective in mitigating the steep ramp in demand for power between the hours of 4pm - 9pm. Tiered pricing can also

Tiered pricing is designed to reward efficiency and reduce power use. However, it is not ineffective in mitigating the steep ramp in demand for power between the hours of 4pm - 9pm. Tiered pricing can also
penalize strategic electrification efforts, by charging higher rates for additional electricity (used in lieu of fossil fuels) to charge a new electric vehicle or power a heat pump water heater.

Time-of-Use (TOU) rates are based on the time of day that customers use power. The highest rates apply to peak-period usage, and lowest prices to off-peak usage. These schedules may also have a volumetric element, such as lower prices across TOU periods for a baseline quantity of power. Customers on TOU schedules are incentivized to reduce their consumption during the grid’s hours of highest demand, and to use power during the hours of greatest solar abundance.

**CPUC and PG&E Direction on Bill Protection**

As part of a statewide effort directed by the CPUC, PG&E will begin full-scale transition of residential customers to time-of-use in October of 2020, impacting 250,000-500,000 customers monthly into mid-2021. Customers will pay the highest prices between 4pm - 9pm daily including weekends, and lower prices during all other hours. In the months preceding the transition, customers will be presented with bill comparisons based on their own interval meter data. Customers will be allowed to remain on a tiered rate plan if they take action to opt out of the transition.

When customers are transitioned from tiered pricing to TOU pricing, it is inevitable that some customers will naturally save money, and some won’t - due to the wide variety in hourly usage profiles. To mitigate customer uncertainty about the potential financial impacts of moving to a TOU rate, PG&E has committed to “bill-protect” customers in their first year of TOU service. They offer to credit customers the annual difference if they spend more on TOU than they would have on an E1 schedule.

PG&E piloted this TOU transition with approximately 150,000 residential E1 customers, approximately 25,000 of which are CCA customers. All pre-selected pilot customers were offered bill protection for their first year on the pilot rate, in partnership with their respective CCAs. Customers’ protection on the generation side of the bill was provided by the CCAs, while the non-generation portions of the bill were protected by PG&E. All customers that participated in the pilot rate were sent communications from PG&E including personalized information about their usage and tips on how to be successful on TOU rates.

**Marketing, Education, and Outreach (ME&O)**

Under the marketing, education and outreach (ME&O) requirements set forth by the CPUC, PG&E communicated directly with pilot customers in four separate direct mailings prior to the transition. In the case of CCA customers, co-branded letters were sent at 90, 60, and 30 days prior, followed by a welcome letter during the month of the transition.

The 60-day-prior communication included a customized rate comparison based on that customer’s interval meter data. It displayed what the customer would pay on an E1 schedule versus TOU-C and another TOU option. This helped ensure that an individual customer’s choice of rate was based on the best-available information. This also assisted in increasing customer confidence in both the transition and their energy supplier. SVCE saw no increase in opt outs among pilot participants compared to business-as-usual.
ANALYSIS & DISCUSSION

SVCE TOU Pilot and Impacts

The SVCE pilot group consisted of approximately 7,500 customers that were transitioned to a new time-of-use rate known as TOU-C. This pilot group was a subset of the new residential customers enrolled with SVCE in Milpitas during June of 2018. Of these customers, approximately 70% participated in the pilot under the new TOU-C rate. Of the remainder, 15% chose to switch to another TOU rate upon notification, and 15% chose to return to E1 service.

Analysis of data from the TOU pilot showed that the transition from E1 to a TOU rate helped reduce load during peak times. Loads were assessed for the summer time period (June through September) using standard Demand Response protocol models across all day types (week day, weekend/holiday), climate zones (hot, moderate, cool) and customer segments (California Alternate Rates for Energy, “CARE”, and non-CARE). Load reductions were observed across all different segments and day types during peak hours with non-CARE customers reducing more (up to 5%) than CARE customers (around 0.5%). Hotter climate zones were also found to shed the most load during peak times. Off peak reductions were also observed across all day types and customer segments, suggesting some absolute reduction in usage in addition to shifting of loads to less expensive periods.

![SAMPLE Hourly Load for Avg. Customer Jun-Sep Estimated vs. Actual Observed](image)

In analyzing the TOU-C test pilot, the two classifications of customers (CARE and Non-CARE) fell into three distinct groups – those that saved money on TOU, those that were revenue neutral, and those whose annual costs were higher than they would have been on E1 – and thus offered Bill Protection. Staff’s analysis in the following parameters were applied to define each group:

- **Bill protection**- Customers that spent >$10 more annually compared to E1 (for CARE, spent >$5)
- **Neutral**- Customers with annual cost differences of +/- $10 compared to E1 (for CARE, +/- $5)
- **Savings**- Customers with an annual savings of >$10 compared to E1 (for CARE, savings >$5)

Both customer savings and bill protection under TOU rates represent a reduction in top-line revenue to SVCE. At the conclusion of the pilot, total revenue reduction to SVCE for 5,010 participating customers was $68,419. With neutral customers considered in the calculation, average customer savings (revenue reduction) per participating customer in a broad TOU transition is approximately $13.65 per transitioned customer.
ME&O communications
In summer to fall 2020, engage

I

Next Steps

The education component of the transition is also an opportunity to tie the importance of TOU rates as a
community partners and member agency outreach channels to help inform cu-
learned that many customers
The TOU transition is an opportunity to help customers understand which rate plan is best for them. Staff has
understood that many customers
2021.
SVCE will adopt
transition to the new TOU rate
transition
automatic
comparisons.
month billing history
baseline
(FERA) program
customers
will not be automatically moved to TOU, nor will medical baseline customers in any climate zone. Also, customers that are recent move-ins and lack a full twelve-month billing history will not be auto-transitioned because they cannot be provided with accurate billing comparisons. Given these exceptions, approximately 75% of current E1 customers will be eligible for automatic transition. And based on the pilot results noted above, 70% of these eligible customers will transition. Thus, of 208,000 tiered rate customers, SVCE expects that approximately 109,000 will ultimately transition to the new TOU rate.

Approximately 87% of SVCE’s residential customers (208,000) are currently subscribed to the E1 tiered rate schedule – representing nearly 30% of SVCE’s electric load. Within this population are certain groups of customers that will not be automatically transitioned to time-of-use. CARE and Family Electric Rate Assistance (FERA) program customers in hot climate zones will not be automatically moved to TOU, nor will medical baseline customers in any climate zone. Also, customers that are recent move-ins and lack a full twelve-month billing history will not be auto-transitioned because they cannot be provided with accurate billing comparisons. Given these exceptions, approximately 75% of current E1 customers will be eligible for automatic transition. And based on the pilot results noted above, 70% of these eligible customers will transition. Thus, of 208,000 tiered rate customers, SVCE expects that approximately 109,000 will ultimately transition to the new TOU rate.

SVCE customers are currently scheduled for transition in October of 2020. San Jose Clean Energy customers are also scheduled for October 2020 – so that the transition applies uniformly across PG&E customers in Santa Clara County. This aids public education and communications efforts. And given Santa Clara County’s climate and energy use profile, October is a good month for transition - it is typically a low to average month for electrical usage. This will be PG&E’s first full-scale TOU rollout.

SVCE staff and directors should anticipate focused E1 and TOU rate analysis and rate setting for 2020 and 2021. 2020/2021 impacts of TOU transition bill protection and rate savings will need to be modeled, understood and accommodated by SVCE.

SVCE will adopt a co-branded approach to communicating this transition as set forth by PG&E and the CPUC during the TOU-C pilot. Additionally, the SVCE community relations team will continue to act as a local resource for customers to help them navigate their energy choices.

The TOU transition is an opportunity to help customers understand which rate plan is best for them. Staff has learned that many customers have not used PG&E’s online tools or explored their rate options. While engaging with customers at outreach events, energy bill clinics and community presentations, SVCE can leverage community partners and member agency outreach channels to help inform customers of the transition to TOU rates. The education component of the transition is also an opportunity to tie the importance of TOU rates as a component of broader electrification efforts.

Key Considerations

<table>
<thead>
<tr>
<th></th>
<th>Bill Protection</th>
<th>Neutral</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td># Customers</td>
<td>$ Total</td>
<td>$ Average</td>
<td>$ Total</td>
</tr>
<tr>
<td>CARE</td>
<td>53</td>
<td>$ 797.01</td>
<td>15.04</td>
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<tr>
<td>Non-CARE</td>
<td>254</td>
<td>$ 5,428.77</td>
<td>21.37</td>
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<tr>
<td>Total</td>
<td>307</td>
<td>$ 6,225.78</td>
<td>20.28</td>
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</tbody>
</table>

Next Steps

In August 2019, confirm participation with PG&E for CPUC filings
• confirm SVCE TOU transition and timing
• confirm SVCE general bill protection plans for first year of TOU operation

In late 2019/early 2020, perform financial modeling and rate analysis for E1 to TOU
• setting of applicable 2020 E1 and E-TOU rates

In summer to fall 2020, engage approximately 156,000 eligible residential E1 customers with co-branded ME&O communications
• improve customer confidence in transition through bill comparisons and TOU success education
• direct mailing campaign paid for by PG&E
STRATEGIC PLAN
Time of use pricing for residential customers with Bill Protection for the first year is directly supported by 5.3 and 5.3.3 of the Strategic Plan:

5.3: Develop and conduct SVCE programs that promote decarbonization via grid innovation and fuel switching to clean electricity and increased energy efficiency.

5.3.3: Engage industry partners (e.g. startups, corporations, academia) in designing innovative grid technology programs that provide value to customers and help enable further grid decarbonization.

FISCAL IMPACT
Applying lessons learned from the TOU-C pilot, staff expects a TOU transition participation rate of approximately 70% of the eligible customers. If the TOU transition and bill protection is approved by the Board, this population of approximately 109,000 residential customers will result in customer savings of averaging $13.65 per transitioned customer in year one - totaling approximately $1.5M. This amount also reflects reduced revenues to SVCE. Ninety percent of this anticipated revenue reduction is attributed to on-bill savings, and $149,000 to be paid out in bill protection payments. Note the figures above are based on 2018/2019 electric rates. To support updated projections closer to the time of the transition, SVCE will need to utilize 2020 rates. Also, the impact of revenue reductions may be partially offset by customer demand shifting from higher-cost on-peak to lower-cost, off-peak periods.
Staff Report – Item 4

To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 4: Proposed FY 2019-20 Operating Budget

Date: 8/14/2019

RECOMMENDATION
The Proposed Operating Budget for FY 2019-20 is being provided for consideration and feedback. Staff is scheduled to present the recommended FY 2019-20 Operating Budget for adoption at the September Board of Directors meeting.

FINANCE AND ADMINISTRATION COMMITTEE RECOMMENDATION
The Finance and Administration committee, with one committee member absent, met August 6th and were unanimous in recommending that staff present the Proposed FY 2019-20 Operating Budget to the full Board. The committee provided feedback on the presentation, which has been incorporated in the presentation to the Board.

ANALYSIS & DISCUSSION
The Proposed FY 2019-20 Operating Budget is balanced and presents Silicon Valley Clean Energy (SVCE) in stable financial condition. The projected balance available for reserves of $52.1 million is $22.5 million or 76.4% increase compared to the FY 2018-19 Mid-Year Budget (see Attachment 1).

Energy revenues are projected at $318.2 million which is $35.6 million or 12.6% increase. The primary driver is a full year impact of the rate changes that became effective August 1, 2019.

Energy and operating expenses are projected at $261.3 million which is $13.5 million or 5.4% increase. The primary drivers include increased power supply costs to serve load and professional services to support various agency initiatives.

Below is a graphic that provides a high-level summary of the budget:
Agenda Item: 4

Agenda Date: 8/14/2019

FINANCIAL SUMMARY

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Energy Revenues</th>
<th>Energy Costs</th>
<th>Operating Margin</th>
<th>Budget Surplus</th>
<th>Reserves</th>
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<tr>
<td>$318.2 MM</td>
<td>$244.7 MM</td>
<td>$56.9 MM</td>
<td>$52 MM</td>
<td>$150 MM</td>
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Revenues
The proposed operating budget, including non-operating revenues, shows an increase of $36.9 million or 13.0% compared to the FY 2018-19 Mid-Year Budget.
- Energy sales projects to increase by $35.3 million or 12.5%. The Mid-Year Budget did not include rate increases to Pacific Gas & Electric (PG&E) customer generation rates that occurred in 2019. The Power Cost Indifference Charge (PCIA) increased in 2019 but better than expected. SVCE adjusted rates to achieve a 4% discount to PG&E customer generation rates in August 2019 which resulted in an increase to SVCE’s customer generation rates. The impacts of those rate changes are budgeted for a full-fiscal year. Future rate changes are not expected until Spring 2020 with the financial impact of those rate changes reviewed through the Mid-Year Budget process.
- GreenPrime revenues are projected to increase by $0.3 million based on the current customer participation rate of 3%.
- Other income includes wholesale activity such as the sale of excess capacity.
- Interest income projects to increase by $1.1 million due to larger reserves and higher interest rates.
- Grant income includes projected receipts from the Bay Area Air Quality Management District (BAAQMD) related to the Heat Pump Water Heater Program.

Expenses
The proposed operating budget, including non-operating expenses, shows an increase of $13.4 million or 5.4% compared to the FY 2018-19 Mid-Year Budget.
- Power supply expenses projected to increase by $10.3 million or 4.4%. The primary drivers include:
  - Higher market prices when filling open positions for the fiscal year including energy, environmental products and resource adequacy. Partially mitigating those increases includes procuring approximately 10% of SVCE’s renewable energy needs with less expensive Portfolio Content Category 2 (PCC2) with an expected savings of $5 million per year. The Board of Directors approved the strategy at the June 2019 meeting.
  - Power supply is well hedged for the fiscal year.
  - The proposed budget includes 3% contingency.
- Data Management expenses projects minimal change.
- PG&E Billing Services expenses projected to increase by $0.2 million due to current costs per meter.
- Employment expenses projected to increase by $1.2 million. The primary drivers include:
➢ The addition of 2 new positions to the Organization Chart resulting in a total Full-Time Equivalent (FTE) count of 27 positions (see Attachment 2).
  o One additional Analyst position in the Decarbonization and Grid Innovations Programs Department to support the implementation of the Programs Roadmap.
  o One Rates Manager position in the Finance and Administration Department to support the monitoring and forecasting of rates, propose strategic action on rate issues and develop innovative rates for demand response, behind-the-meter RA and for customer-specific needs in response to Direct Access.
➢ A conservative approach was used in developing the budget including funding all positions based on a full year.
➢ Salary tables including the minimum and maximum pay ranges per job title was adjusted upward by 4% based on the latest Consumer Price Index (CPI) for the San Francisco Bay Area comparing the year-to-date 2019 prices to the same period in 2018. Salary tables will be presented to the Board at the September meeting for approval.
• Professional Services expenses projects to increase by $1.2 million. Drivers include:
  ➢ Increased investment in cybersecurity to protect customer and agency data.
  ➢ Funding to support the process of obtaining a credit rating.
  ➢ Funding to support negotiations of upcoming long-term power purchase agreements (PPAs) and monitoring or taking action on the PPAs that were executed November 2018.
  ➢ Support for the Integrated Resource Plan (IRP) process.
  ➢ Support of a pro-active approach to legislative and regulatory issues including the funding of lobbyists and representation in the PG&E general rate case.
  ➢ Continued funding of strategic action during the PG&E Bankruptcy proceeding and response to Direct Access.
  ➢ Support for Programs initiatives through data analytics platforms.
• Marketing & Promotions expenses projects to increase by $0.1 million to fund increased customer awareness and to explore long-term strategies for data management.
• Notifications expenses projects to remain flat.
• Building Lease expenses projects a $0.3 million increase to fund facility improvements including a larger work area through a new lease agreement.
• General & Administrative expenses projects to increase by $0.3 million primarily to fund software enhancements for Programs.
• Debt Service expenses projects to remain flat. Financing expenses include the funding for the renewal of the line of credit and includes letters of credit outstanding with PG&E and the California Independent System Operator (CAISO).

Capital Expenditures, Interfund Transfers and Other
The proposed operating budget shows an increase of $0.9 million or 15.6% compared to the FY 2018-19 Mid-Year Budget.
• Capital expenses projected to increase by $0.2 million primarily due to investment in improvements to SVCE facility, possibly in a new location.
• Other Cash Inflows/Outflows projected to remain flat. The California Public Utilities Commission (CPUC) issued a decision in 2018 to establish reentry fees and financial security requirements for Community Choice Aggregators (CCAs). No action was directed by the CPUC during FY 2018-19.
• Transfer to the Programs Fund projected to increase by $0.7 million due to higher energy revenues. The transfer to the Programs Fund is formula based on 2% of annual energy revenues.
The chart below shows the cash reserve position

CASH RESERVES

STRATEGIC PLAN
The Proposed FY 2019-20 Operating Budget funds the goals of the strategic plan.

FISCAL IMPACT
The Proposed FY 2019-20 Operating Budget includes total revenues of $320.3 million and total expenses and transfers to other funds of $268.3 million projecting a surplus of $52.0 million.

ATTACHMENTS
1. Proposed FY 2019-20 Operating Budget
2. Proposed FY 2019-20 Table of Organization
### FY 2019-20 Proposed Operating Budget

#### ($ in thousands)

<table>
<thead>
<tr>
<th>Line</th>
<th>DESCRIPTION</th>
<th>FY 2017-18</th>
<th>FY 2018-19 Budget As Adopted</th>
<th>FY 2019-20 Midyear Proposed Budget</th>
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<td>3</td>
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<td>TOTAL OPERATING EXPENSES</td>
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<td>24</td>
<td>CHANGE IN NET POSITION</td>
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<td>$35,395</td>
<td>$58,850</td>
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#### CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER

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<tr>
<th>Line</th>
<th>DESCRIPTION</th>
<th>FY 2019-20 Transfer to Programs Fund</th>
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<tr>
<td>25</td>
<td>Capital Outlay</td>
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<td>26</td>
<td>Refund of Bond (Cash Inflow)</td>
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<td>Financial Services Requirement</td>
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<td>Transfer to Programs Fund</td>
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<td>TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS &amp; OTHER</td>
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<tr>
<td>30</td>
<td>BALANCE AVAILABLE FOR RESERVES</td>
<td>$50,108</td>
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Staff Report – Item 5

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

Item 5: Reach Codes Update

Date: 8/14/2019

This item will be addressed in the form of a presentation to the Board from SVCE’s Director of Decarbonization and Grid Innovation Programs.
To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

Item 6: Finance and Administration Committee Report

Date: 8/14/2019

The Finance and Administration Committee met on August 6, 2019 and this item will be addressed as an oral report to the Board.
To: Silicon Valley Clean Energy Board of Directors

From: Girish Balachandran, CEO

**Item 7: Legislative Ad Hoc Committee Report**

Date: 8/14/2019

The Legislative Ad Hoc Committee met on July 9, 2019 and this item will be addressed as an oral report to the Board.
Silicon Valley Clean Energy
Board of Directors Meeting

August 14, 2019

Appendix A

Power Resource Contracts Executed by CEO
WSPPP AGREEMENT
SCHEDULE R
FIRM BUNDLED RECS TRANSACTION
BETWEEN
MONTEREY BAY COMMUNITY POWER, A CALIFORNIA JOINT POWERS AUTHORITY
AND
SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

This confirmation ("Confirmation") confirms the Firm REC transaction ("REC Transaction") between Monterey Bay Community Power Authority, a California joint powers authority ("Seller") and Silicon Valley Clean Energy Authority, a California joint powers authority ("Purchaser" or "Buyer"), each individually a "Party" and together the "Parties", effective as of May 29, 2019 (the "Confirmation Effective Date"). This REC Transaction is governed by the WSPPP Agreement effective as of June 21, 2018 (as updated from time to time to include revisions approved by FERC), and Service Schedule R to the WSPPP Agreement. The WSPPP Agreement, Service Schedule R to the WSPPP Agreement, and this Confirmation shall be referred to herein as the "Agreement." Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPPP Agreement.

<table>
<thead>
<tr>
<th>IDENTIFICATION OF PARTIES:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PURCHASER:</strong></td>
</tr>
<tr>
<td>Silicon Valley Clean Energy Authority, a California joint powers authority</td>
</tr>
<tr>
<td>Silicon Valley Clean Energy Authority 333 W. El Camino Real, Suite 320 Sunnyvale, CA 94087</td>
</tr>
<tr>
<td>Attn: Girish Balachandran Phone: (408) 721-5301</td>
</tr>
<tr>
<td><strong>Contact Information:</strong></td>
</tr>
<tr>
<td><strong>Address For</strong></td>
</tr>
<tr>
<td><strong>Formal Notices:</strong></td>
</tr>
<tr>
<td>Same as above in Contact Information</td>
</tr>
<tr>
<td>Same as above in Contact Information with Attention to General Counsel</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REC TRANSACTION TERMS:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REC Product:</strong> (e.g., Firm REC, Firm Bundled REC, etc.) (see Section R-2.3)</td>
</tr>
<tr>
<td>Firm REC</td>
</tr>
<tr>
<td>X Firm Bundled REC</td>
</tr>
<tr>
<td>Resource Contingent REC</td>
</tr>
<tr>
<td>Resource Contingent Bundled REC</td>
</tr>
<tr>
<td>Facility As-Run REC</td>
</tr>
<tr>
<td>Facility As-Run Bundled REC</td>
</tr>
<tr>
<td>Other (specify):</td>
</tr>
<tr>
<td><strong>Additional Provisions:</strong></td>
</tr>
<tr>
<td>For purposes of this Confirmation REC Product &quot;Product&quot; is &quot;Firm Bundled REC&quot; which means &quot;renewable energy credits with associated energy (bundled) and conforms to &quot;Category 1</td>
</tr>
</tbody>
</table>
Renewable or "PCC1" as defined below. Each REC shall be evidenced by a WREGIS Certificate and be equivalent to one (1) MWh of energy from a Renewable Energy Source and shall include the Green Attributes associated with such MWh of energy.

The Product meets the California RPS compliance requirements in California Public Utilities Code Section 399.11 through 399.20 of the California Public Utilities Code and the renewable energy resources program enacted by the State of California and set forth in Sections 25740 through 25751 of the California Public Resources Code, and the associated rules, regulations, and decisions of the CPUC and the CEC, as may be amended from time to time and, to the extent not inconsistent with the foregoing, qualifies as a Firm REC as described in Section R-2.3.1 and also qualifies as a "Renewable energy certificate" as defined or described in and eligible under the Green-e Applicable Standard.

"Category 1 Renewable" means Renewable Energy that satisfies the requirements of Section 399.16(b)(1) of the California Public Utilities Code and CPUC Decision 11-12-052, as applicable to the REC Vintage transferred hereunder.

"Category 2 Renewable" means Renewable Energy that satisfies the requirements of Section 399.16(b)(2) of the California Public Utilities Code and CPUC Decision 11-12-052, as applicable to the REC Vintage transferred hereunder.

"Category 3 Renewable" means the Renewable Energy Credits that satisfy the requirements of Section 399.16(b)(3) of the California Public Utilities Code and CPUC Decision 11-12-052, as applicable to the REC Vintage transferred hereunder.

| REC Vintage:  |
| Vintage of REC already created or period of generation for REC to be created (mm/yyyy) |
| [redacted] |

| Contract Quantity:  |
| (stated either on a megawatt hour basis or percentage of output of a designated Renewable Energy Facility) |
| [redacted] |

| Transfer Date:  |
| (generally the Effective Date of this Confirmation for REC that already exists, and future date for REC to be generated after Effective Date) |
| On or before May 5, 2020 |

The Contract Price for each MWh of PCC1 delivered to Buyer shall consist of the Energy Price, the CAISO Credit, and the REC Price, calculated as follows:

Contract Price = Energy Price - CAISO Credit + RECs Price

Where:

"Energy Price" is the applicable day-ahead or hour-ahead LMP at the Delivery Point per MWh of Incremental Energy delivered;

"CAISO Credit" is the Energy Price paid by the CAISO to Seller for Incremental Energy; and
**REC Price** is [redacted] per MWh per WREGIS Certificate transferred to Purchaser’s WREGIS account.

### Allocation (If agreed):

<table>
<thead>
<tr>
<th>REC Price:</th>
<th></th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Energy:</th>
<th>Index</th>
</tr>
</thead>
</table>

**Environmental Attributes:**  
(check one)

- [X] All Attributes (this designation is effective only if a Renewable Energy Source or Renewable Energy Facility is designated below)

  Program Attributes (this designation is effective only if an Applicable Program is identified below)  
  (Note: WREGIS and possibly other Tracking Systems will not recognize a Program Attributes REC, or may treat it as an All Attributes REC)

### Applicable Program:

(required for Program Attributes; not required for All Attributes, but designation establishes the minimum Environmental Attributes required by a designated Applicable Program). Also required for recovery of penalties and alternative compliance payments (Section R-9.1). Designation should include detailed information, including any applicable legal citations, to assure adequate description of the program

- [X] The California Renewables Portfolio Standard

### Designation of Renewable Energy Source or Renewable Energy Facility:

(required for All Attributes)

#### Renewable Energy Source:

- [X] Renewable Energy Facilities: To Be Determined by Seller

<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>CEC RPS ID</th>
<th>Tracking System Number</th>
<th>Fuel (wind, solar, etc)</th>
</tr>
</thead>
<tbody>
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</table>

### Change in Law Provisions:

- [X] Regulatorily Continuing (Section R-5.2.2(b)), requiring that Seller make commercial reasonable efforts to obtain compliance with Changes in Law in the designated Applicable Program.

  If checked, state any agreed maximum costs of such efforts (if no maximum is stated, then no maximum applies): $2,500

- Not Regulatorily Continuing (Section R-5.2.2(c))

### Tracking System:

(if none specified, then Delivery occurs by Attestation and not by Tracking System crediting)

- [X] WREGIS

### Damages:

Damages include reimbursement for penalties and alternative compliance payments, subject to any agreed cap on this damages component, which can be zero (Section R-9.1)
Appendix A

No cap on damages.

Any agreements concerning forward certificates in WREGIS or other Tracking System Expedition:
(Section R-3.3.1)

See Other Provisions below.

TERMS APPLICABLE TO ENERGY IF INCLUDED IN REC PRODUCT:

<table>
<thead>
<tr>
<th>Period (Schedule) of Delivery:</th>
</tr>
</thead>
<tbody>
<tr>
<td>From: June 1, 2019</td>
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<tr>
<td>To: December 31, 2019</td>
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</table>

<table>
<thead>
<tr>
<th>Schedule (Days and Hours):</th>
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</thead>
<tbody>
<tr>
<td>N/A</td>
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<table>
<thead>
<tr>
<th>Delivery Rate:</th>
</tr>
</thead>
<tbody>
<tr>
<td>As scheduled by Seller</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Delivery Point(s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any scheduling point/node within CAISO or the California Balancing Authority</td>
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</table>

<table>
<thead>
<tr>
<th>Contract Quantity (specify all details):</th>
</tr>
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<tbody>
<tr>
<td>[REDACTED]</td>
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</table>

<table>
<thead>
<tr>
<th>Transmission Path for the Transaction (If Applicable):</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
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</tbody>
</table>

EFFECTIVE DATE AND OTHER PROVISIONS:

Effective Date:
(no earlier than mutual execution of this Confirmation)

The Confirmation Effective Date specified above.

Other Provisions:

1. **Additional Definitions.**

   "CAISO" means the California Independent System Operator.

   "California Renewables Portfolio Standard" means the renewable energy program and policies established by Senate Bills 1038 and 1078 and 2 (1X) codified in California Public Utilities Code Sections 399.11 et seq. and California Public Resources Code Sections 25740 through 25751.

   "CEC" means the California Energy Commission.

   "CPUC" means the California Public Utilities Commission.

   "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.

   "Environmental Attributes" means "Green Attributes".

   "Green-e Applicable Standard" means the Green-e Energy National Standard v 3.2 for Renewable Energy Products published by the Center for Resource Solutions, as may be amended from time to time.

   "Green Attributes" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides...
Appendix A

MBCP PCC2 Confirm

(NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydro fluorocarbons, per fluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere;¹ (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions or allowances associated with the Project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to the Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project. [STC 2]


“REC” means a renewable energy credit as defined by and in accordance with the California Public Utilities Code, as ordered by the CPUC in Decision 08-08-028, as such definition may be modified by the CPUC or other applicable law from time to time.

“RPS” means the California Renewables Portfolio Standard Program as codified at California Public Utilities Code Section 399.11 et seq., and any decisions by the CPUC related thereto.

“Scheduling Protocols” means the tariffs, operating procedures and protocols and business practices of the CAISO and all applicable scheduling protocols of the WECC and any other entity or entities transmitting the energy associated with the REC Product on behalf of Seller or Purchaser to or from the Delivery Point.

“WREGIS” and “Western Renewable Energy Generation Information System” mean the Western Renewable Energy Generation Information System or its successor organization recognized under applicable laws for the registration, transfer or ownership of RECs, Environmental Attributes or Green Attributes.

“WREGIS Certificate” means “Certificate” as defined by WREGIS in the WREGIS Operating Rules.

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


(a) During the Term, each Party represents and warrants to the other that: (i) it is an “eligible commercial entity” and an “eligible contract participant” within the meaning of United States law.

¹Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.
Commodity Exchange Act §§1a(17) and 1a(18), respectively, and this Transaction has been subject to individual negotiation by the Parties.

(b) Seller further represents and warrants to Purchaser that (i) Seller has not sold the REC Product or any Environmental Attribute of the REC Product to be transferred to Purchaser to any other person or entity; and (ii) Seller has and during the Term shall continue to maintain Certification from WREGIS.

(c) For the sale of Category 1 Renewable, each Project either:

(i) has a first point of interconnection with a California balancing authority; or

(ii) has its first point of interconnection with distribution facilities used to serve end users within a California balancing authority area; or

(iii) the generation from the Project is scheduled into a California balancing authority without substituting electricity from any other source, provided that, if another source provides real-time ancillary services required to maintain an hourly or sub-hourly import schedule into the California balancing authority only the fraction of the schedule actually generated by the Project from which the electricity is procured may count toward this Product; or

(iv) the generation from the Project is scheduled into a California balancing authority pursuant to a dynamic transfer agreement between the balancing authority where the Project is located and the California balancing authority into which the generation is scheduled.

(d) For the sale of Category 1 Renewable, Seller has not sold the RECs originally associated with the Product to any other person or entity.

(e) For the sale of Category 1 Renewable, Seller receives compensation directly from the CAISO for energy imported or scheduled to the CAISO in real-time on Buyer’s behalf.

(f) If and to the extent that the Category 1 Renewable Product sold by Seller is a resale of part or all of a contract between Seller and one or more third parties, Seller represents, warrants and covenants that the resale complies with the following conditions in (i) through (v) below as of the Confirmation Effective Date and throughout the generation period:

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

(ii) This Confirmation transfers only electricity and RECs that have not yet been generated prior to the Confirmation Effective Date;

(iii) The electricity transferred by this Confirmation is transferred to Buyer in real time;

(iv) If the Product is scheduled from a Project that is not interconnected to a California balancing authority into a California balancing authority without substituting electricity from another source, the original hourly or sub-hourly schedule is maintained, and the three preceding conditions are met; and

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

3. **Compliance with RPS.**

   (a) Seller shall deliver and convey the RECs by properly transferring the WREGIS Certificates for such RECs, in accordance with the rules and regulations of WREGIS, into Purchaser’s WREGIS account such that all right, title and interest in and to such WREGIS Certificates shall transfer from Seller to Purchaser. Notwithstanding Service Schedule R, title to such WREGIS Certificates shall transfer upon the delivery of such WREGIS Certificates.

   (b) Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Projects. [STC 2]

   (c) If WREGIS changes the WREGIS Operating Rules or applies the WREGIS Operating Rules in a manner inconsistent with this Confirmation, the Parties promptly shall modify this Agreement as reasonably required to preserve the intended economic benefits of this Transaction for both Parties, and so cause and enable Seller to transfer to Purchaser’s WREGIS Account the RECs sold to Purchaser hereunder.

   (d) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that each Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource (“ERR”) as such term is defined in Public Utilities Code Section 399.12 or Section 399.16. To the extent a Change in Law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such Change in Law.

   (e) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a Change in Law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such Change in Law. [STC REC-1]

   (f) Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. [STC REC-2]

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

4. **Payments.** For purposes of this Confirmation, invoicing and payment for the RECs delivered to Purchaser shall be as follows:

   (a) Following delivery by Seller of the RECs, Seller shall provide an invoice to Purchaser reflecting the Contract Price associated with the RECs so delivered (each, an "Invoice"). Seller’s invoice may be delivered by email from Seller to Purchaser.

   (b) Within five (5) Business Days of the later of (x) Purchaser’s receipt of an Invoice and (y) Purchaser’s receipt of confirmation from Seller that the WREGIS Certificates have been transferred
into Purchaser’s WREGIS account. All payments made under this Confirmation shall be made in immediately available United States Dollars by electronic transfer to the following accounts:

Payments to Seller: Monterey Bay Community Power Authority
Bank: River City Bank
Bank ABA: 121133416
Account Number: 9981454362

5. **Regulatory.** The Parties intend the rates, terms and conditions of service specified in this Confirmation to remain fixed throughout the Term regardless of any changes in underlying costs that would justify a change in rates under traditional cost of service principles. The Parties agree that they shall not make unilateral application to the Federal Energy Regulatory Commission for any change in rates, terms and conditions herein, and/or costs of service. Neither Party shall unilaterally seek to obtain from the Federal Energy Regulatory Commission any relief changing the rate, charge, classification, or other term or condition of this Confirmation, notwithstanding any subsequent changes in applicable law or market conditions that may occur. Except as expressly provided by this Confirmation, Purchaser and Seller further agree that the standard of review for changes to this Confirmation proposed by any person, including a non-party or the Federal Energy Regulatory Commission acting **sua sponte** shall be the “public interest” application of the “just and reasonable” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group, Inc. v. Pub. Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008) and NRG Power Mktg., LLC v. Maine Pub. Util. Comm’n, 558 U.S. 165 (2010) (the “Mobile-Sierra” doctrine).

6. **Governing Law.** Section 24 of the Agreement is deleted in its entirety and this Confirmation and any portion of the Agreement applicable to this Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of laws rules thereof. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any proceedings relating to this Agreement.

7. **Confidentiality.** The Parties acknowledge and agree that the Agreement is subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.).

8. **Failure of Title Transfer.** In the event that WREGIS fails to deliver or restricts acceptance of the Green Attributes, then each Party will provide the other Party with all documents, communications, and information sent to or received from WREGIS that pertain thereto. The Parties will cooperate, each at its own expense, to assure the completion of all actions and items required for transfer of the Green Attributes, and will promptly complete any and all uncompleted actions and items. If following such efforts WREGIS does not transfer the Green Attributes for reasons beyond either the Buyer’s or Seller’s control, if permitted by Buyer, Seller will provide an Attestation to Buyer and the event described hereto will not be considered an Event of Default or a failure to deliver Green Attributes.

9. **No Recourse to Members.** Buyer and Seller are each organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and are public entities separate from their constituent members. Each Party agrees it will have no rights and will not make any claims, take any actions or assert any remedies against any of the other Party’s constituent members, or the officers, directors, advisors, contractors, consultants or employees of the other Party or the other Party’s constituent members, in connection with this Confirmation.

10. **Credit Requirements.** Notwithstanding any other provision of the Agreement, credit support is not required for either Party under this Transaction.

11. **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 facsimile or electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.

12. **Entire Agreement; No Oral Agreements or Modifications.** This Confirmation sets forth the terms of the Transaction into which the Parties have entered into 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 Transaction may be confirmed only through a Documentary Writing executed by both Parties, and no amendment or modification to this Transaction shall be enforceable except through a Documentary Writing executed by both Parties.

[Signatures appear on the following page.]
ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE:

MONTEREY BAY COMMUNITY POWER AUTHORITY, a California joint powers authority

By: [Signature]
Name: [Name]
Title: [Title]

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

DocuSigned by: [Signature]
Name: Girish Balachandran
Title: CEO

By: [Signature]
Name: [Name]
Title: [Title]
TRANSACTION CONFIRMATION
CARBON FREE ENERGY

This confirmation ("Confirmation") confirms the transaction ("Transaction") between Monterey Bay Community Power Authority ("Seller") and the Silicon Valley Clean Energy Authority ("Purchaser" or "Buyer"), each individually a "Party" and together the "Parties", effective as of May 21, 2019 (the "Confirmation Effective Date"). This Transaction is governed by the WSPP Agreement effective as of June 21, 2018. The WSPP Agreement and this Confirmation shall be referred to herein as the "Agreement." Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPP Agreement.

<table>
<thead>
<tr>
<th>IDENTIFICATION OF PARTIES:</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>PURCHASER:</strong></td>
<td><strong>SELLER:</strong></td>
</tr>
<tr>
<td>Silicon Valley Clean Energy Authority, a California joint powers authority</td>
<td>Monterey Bay Community Power Authority, a California joint powers authority</td>
</tr>
<tr>
<td>Contact Information:</td>
<td></td>
</tr>
<tr>
<td>Silicon Valley Clean Energy Authority, a California joint powers authority</td>
<td>Monterey Bay Community Power Authority, a California joint powers authority</td>
</tr>
<tr>
<td>333 W. El Camino Real, Suite 320</td>
<td>70 Garden Court, Suite 300</td>
</tr>
<tr>
<td>Sunnyvale, CA 94087</td>
<td>Monterey, CA 93940</td>
</tr>
<tr>
<td>Attn: Girish Balachandran</td>
<td>Attn: Dennis Dyc-O'Neal</td>
</tr>
<tr>
<td>Phone: (408) 721-5301</td>
<td>Phone: (831) 641-7240</td>
</tr>
<tr>
<td>Scheduling Contacts:</td>
<td></td>
</tr>
<tr>
<td>Attn: ZGlobal</td>
<td>Attn: Jeremy Clark</td>
</tr>
<tr>
<td>Phone: (916) 221-4327</td>
<td>Phone: (831) 641-7214</td>
</tr>
<tr>
<td>Addresses For Formal Notices:</td>
<td></td>
</tr>
<tr>
<td>Same as above in Contact Information</td>
<td>Same as above in Contact Information with Attention to General Counsel</td>
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<thead>
<tr>
<th>PRODUCT TRANSACTION TERMS:</th>
<th></th>
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<tbody>
<tr>
<td><strong>Product:</strong></td>
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<tr>
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<td>Facility As-Run REC</td>
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<td>Facility As-Run Bundled REC</td>
<td></td>
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<tr>
<td>X Other (specify):</td>
<td>Carbon Free Energy</td>
</tr>
<tr>
<td><strong>Additional Provisions:</strong></td>
<td></td>
</tr>
<tr>
<td>1. Seller Delivery Obligation. Seller shall deliver electricity from the Carbon Free Source into the CAISO or a California Balancing Authority without substituting electricity from another source, as evidenced by e-Tags, or such another format acceptable to Buyer. Deliveries shall be measured for each hour that the Carbon Free Energy is delivered to the CAISO CAISO or a California Balancing Authority but shall not exceed the lesser of corresponding amounts shown on the e-Tags or meter data from the Designated Facilities.</td>
<td></td>
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</tbody>
</table>
2. **Resources.** Carbon Free Energy delivered under this Confirmation shall be delivered from a Carbon Free Source. Seller is neither the owner nor operator of the Carbon Free Source, but has written agreements with the owner or operator of the Carbon Free Source to procure electric power generated by the Carbon Free Source.

3. **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.

4. **Rights to Product.** Seller hereby provides and conveys electric power generation from the Carbon Free Source 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. Title and reporting rights to the Carbon Free Energy shall transfer from Seller to Buyer upon delivery of Product to the Delivery Point.

5. **Reporting Requirements.** Seller shall provide Buyer with all necessary documentation required to support and verify that delivery requirements have been met according to the Applicable Program, including but not limited to documentation demonstrating that the Carbon Free Source meets the CARB requirements of a Specified Source, the Carbon Free Energy is traceable to a specific generating facility, and that the electricity source claimed has been sold once and only once to a retail consumer.

6. **Resale of Product.** Buyer may re-sell all or a portion of the Contract Quantity and any associated rights, in each case, acquired under this Transaction. In the event Buyer re-sells all or a portion of the Contract Quantity, Seller agrees to follow Buyer's instructions with respect to providing such Product to subsequent purchasers of such Product. Seller further agrees to take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to allow such subsequent purchasers to use such Product, including making such changes to the e-Tags as are necessary to allow subsequent purchaser to claim the Product under the Applicable Program; provided the foregoing shall not require Seller to enter into any agreements directly with any such subsequent purchaser or take any action hereunder or execute any documents or instruments not already required under this Confirmation. 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 to comply with the terms of this Transaction, and Seller would have had liability to Buyer under this Transaction for such failure had
Buyer not sold the Product to a subsequent purchaser, then Seller shall be liable to Buyer under this Confirmation to the extent it would have been liable to Buyer if such Product had not been sold to a subsequent purchaser. Seller shall not be obligated to undertake any actions under this paragraph on less than five (5) Business Days’ prior notice of such resale.

7. **Liquidated damages.** Seller shall be compensated for Product delivered under, and in accordance with, this Confirmation. In the event Seller fails to deliver any portion of the Contract Quantity, Buyer shall be entitled to damages equal to Replacement Price less Contract Price multiplied by the portion of the Contract Quantity not delivered by Seller, provided that if the result of such calculation is a negative number, no payment shall be owed to Buyer or Seller. Liquidated damages shall not apply to the extent that any Product fails to meet the requirements of this Confirmation because of a Change in Law.

**Contract Quantity:**

"Contract Quantity" means the lesser of (a) [Redacted] MWh, (b) the sum of Seller’s deliveries during the Delivery Term of Carbon Free Energy to the CAISO Balancing Authority under the combined Day-Ahead, Real-Time and Self-Schedules from the Designated Facilities, or (c) the actual metered energy output from the Designated Facilities during the Delivery Term.

**Contract Price and Payment:**

For each MWh of Carbon Free Energy delivered to Buyer in accordance with the terms of this Confirmation, Buyer shall pay Seller [Redacted] (the "Contract Price"), which represents additional compensation to Seller for the zero carbon emissions associated with this Product. Seller shall be entitled to retain all CAISO revenues associated with the delivery of the Product to the Delivery Point.

Seller shall invoice Buyer on or before the 20th day of each calendar month in an amount equal to the quantity of Product delivered to Buyer multiplied by the Contract Price. With each invoice, Seller shall provide documentation reasonably acceptable to Buyer to verify delivery of invoiced amounts of Product.

Within ten (10) Business Days after the delivery of the invoice or the 20th day of each calendar month, whichever is later, Buyer shall pay Seller the amount invoiced.

**Applicable Program:**

"Applicable Program" means the Cap and Trade Regulations or the PSD Regulations.

**Designated Facilities**

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<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>CEC RPS ID</th>
<th>CARB ID</th>
<th>Resource type, e.g., large hydro</th>
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<td>Lucky Peak Dam</td>
<td>Idaho State</td>
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<td>Large Hydro</td>
</tr>
</tbody>
</table>
Envelope

MBCP CF Confirm

Scheduling

Damages

Tracking Change if none

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 Carbon Free Energy ("Change in Law"), using commercially reasonable efforts, Seller shall make commercially reasonable efforts to comply with a Change in Law, provided that such costs shall not be greater than Two Thousand Five Hundred Dollars ($2,500) (the "Capped Amount"). If Seller cannot comply with a Change in Law by spending the Capped Amount or less, 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;

(b) neither Party shall have any further obligations to the other hereunder (other than for performance already completed prior to such termination), except that in the event of termination under this provision; and

(c) Buyer shall remain obligated to pay the Contract Price for deliveries of Product prior to such termination.

Tracking System:
(if none specified, then Delivery occurs by Attestation and not by Tracking System crediting)

None

Damages:
Damages include reimbursement for penalties and alternative compliance payments

No cap on damages.

Delivery Term:

From: June 1, 2019
To: December 31, 2019

Scheduling (Days and Hours):

Seller will perform all scheduling and tagging requirements for Carbon Free Energy. Energy deliveries shall be scheduled by Seller pursuant to WECC and CAISO requirements to the Delivery Point and, to the extent not inconsistent with the foregoing, in accordance with General Accepted Utility Practice. Unless otherwise mutually agreed between the Parties, Carbon Free Energy will be scheduled to the applicable delivery point without an IST.

If the deliveries are an import into a California balancing authority, the CARB ID(s) of the Carbon Free Source shall be entered as the 'Value' in the Misc (Token/Value) field of the e-Tag. Each e-Tag shall show the CAISO Balancing Authority as the last Control Area ("CA") under 'Physical Path', and Seller
shall include Buyer's Purchasing Selling Entity ("PSE") (ZES001) on each e-Tag via carbon copy in the PSE Comment field. In the event Seller is unable to include Buyer's PSE as a carbon copy, delivery may be satisfied by Seller providing (i) documentation (including meter data and etags) to Buyer to establish the quantity of Product actually generated and delivered and (ii) a signed declaration representing and warranting that Seller has not sold the Product to any other party, all in a form acceptable to Buyer.

**Delivery Rate:**

Seller shall, at its sole discretion, schedule Carbon Free Energy from Carbon Free Sources into the CAISO or a California Balancing Authority on a day-ahead, hour-ahead, and/or real-time basis.

**Delivery Point(s):**

Any scheduling point/node within CAISO or a California Balancing Authority

**Other Provisions:**

1. **Additional Definitions.**

   "Applicable Program" means the Cap and Trade Regulations or the PSD Regulations.

   "CAISO" means California Independent System Operator, or its successor.

   "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.

   "CARB" means the California Air Resources Bureau of the California Environmental Protection Agency.

   "Carbon Free Energy" means Energy generated by Carbon Free Sources.

   "Carbon Free Source" for the purposes of this Agreement means a large hydroelectric facility registered as a Specified Source Facility with CARB that produces Energy with zero carbon emissions.

   "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" means any addition or amendment, by a Governmental Authority, to any laws, rules, regulations, orders, or judicial precedent that applies to the Applicable Program and is enacted or issued after the Effective Date and nullifies compliance of the Product with the Applicable Program. An addition or amendment that is enacted or issued before the Effective Date but effective on or after the Effective Date is not a Change in Law.

   "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.

   "Delivery Point" has the meaning set forth above.

   "Delivery Term" shall be the period beginning on the Start Date and ending on the End Date, as set forth above.
"Designated Facility" or "Designated Facilities" means the Carbon Free Sources set forth above, which may be updated by Seller from time to time upon five (5) Business Days' prior written notice to Buyer.

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

"Energy" means electrical energy, measured in MWh.

"E-tag" means an electronic record that contains the details of a transaction to transfer energy from a source point to a sink where the energy is scheduled for transmission across one or more balancing authority area boundaries. For purposes of this definition, "source point" refers to the generation source of the energy, and "sink" refers to the balancing authority in which the electric load is located.

"General Accepted Utility Practice" means a practice established by WECC or any successor regional reliability council, as such practice may be revised from time to time, or if no practice is so established, means a practice otherwise generally accepted in the WECC region.

"Governmental Authority" means the United States, a state thereof, any political subdivision or governmental body thereof, including any department or agency, with jurisdiction over a Party or an Applicable Program.

"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.

"PSD Regulations" means the Power Source Disclosure Program regulations (California Code of Regulations Title 20, Division 2, Chapter 3, Articles 5, Sections 1390 through 1394).

"Specified Source Facility" means a power source registered by an electric power entity with CARB that is intended to be claimed in an Emissions Data Report pursuant to section 95111(g)(1) of the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions in the state of California.

"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.

"WECC" means the Western Electricity Coordinating Council or its successor organizations.


   (a) During the Term, each Party represents and warrants to the other that: (i) it is an "eligible contract participant" within the meaning of United States Commodity Exchange Act § 1a(18), respectively, and this Transaction has been subject to individual negotiation by the Parties.

   (b) Seller further represents and warrants to Purchaser that Seller has not sold the Product or any Attribute of the Product to be transferred to Purchaser to any other person or entity.

3. Regulatory.

The Parties intend the rates, terms and conditions of service specified in this Confirmation to remain fixed throughout the Term regardless of any changes in underlying costs that would justify a change in rates under traditional cost of service principles. The Parties agree that they shall not make unilateral application to the Federal Energy Regulatory Commission for a change in rates, terms and conditions herein under Section 205 and/or 206 of the Federal Power Act nor shall either Party seek any change in the rates, terms and conditions herein based upon changes in its costs of service. Neither Party shall unilaterally seek to obtain from the Federal Energy Regulatory Commission any relief changing the rate, charge, classification, or other term or condition of this Confirmation, notwithstanding any subsequent changes in applicable law or market conditions that may occur. Except as expressly provided by this Confirmation, Purchaser and Seller further agree that the standard of review for changes to this

4. **Confidentiality.** The Parties are subject to the California Public Records Act (Government Code Section 6250 et seq.).

5. **Governing Law.** Section 24 of the Agreement is deleted in its entirety and this Confirmation and any portion of the Agreement applicable to this Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of laws rules thereof. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any proceedings relating to this Agreement.

6. **No Recourse to Members.** The Parties are organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and are each a public entity separate from their constituent members. Each Party will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Confirmation. The Parties will have no rights and will not make any claims, take any actions or assert any remedies against any of the other Party's constituent members, or the officers, directors, advisors, contractors, consultants or employees of the other Party or the other Party's constituent members, in connection with this Confirmation.

7. **Credit Requirements.** Notwithstanding any other provision of the Agreement, Section 27 of the WSPP Agreement is not applicable to, credit support is not required for either Party under this Transaction.

8. **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 facsimile or electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.

9. **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 Transaction may be confirmed only through a Documentary Writing executed by both Parties, and no amendment or modification to this Transaction shall be enforceable except through a Documentary Writing executed by both Parties.

[SIGNATURES APPEAR ON FOLLOWING PAGE]
ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE:

MONTEREY BAY COMMUNITY POWER AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

By: __________________________

Name: Girish Balachandran
Title: CEO

SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

By: __________________________

Name: Tom Harashi
Title: CEO
CONFIRMATION OF POWER PURCHASE AND SALE TRANSACTION

Date: June 24, 2019
Transaction Number: 2573974
To: Silicon Valley Clean Energy Authority (Buyer)
Trader: NextEra Energy Marketing, LLC (Seller)
Trader: Ruben Lorenzo

This confirmation confirms the terms and conditions of the physical power transaction entered into between the parties.

Trade Date: June 21, 2019
Type of Transaction: FIRM (LD)
Term: From and including: 11/01/2019
Through: 09/30/2020
Delivery Period: Hour Type: 7x8
Days of Week: Sunday through Saturday and NERC holidays
Hour Endings: 0100 through 0600
2300 through 2400
Time Zone: Pacific Prevailing Time (PPT)

Hour Type: 6x16
Days of Week: Monday through Saturday excluding NERC holidays
Hour Endings: 0700 through 2200
Time Zone: Pacific Prevailing Time (PPT)

Hour Type: 1x16
Days of Week: Sunday and NERC holidays
Hour Endings: 0700 through 2200
Time Zone: Pacific Prevailing Time (PPT)

Contract Quantity: See Annex A
Total Contract Quantity: [REDACTED] MWH
Contract Price: See Annex A
Delivery Point: TH_NP15_GEN-APND
CONFIRMATION OF POWER PURCHASE AND SALE TRANSACTION

Scheduling Rules: Seller shall schedule DAY-AHEAD physical delivery of the Contract Quantity to Buyer at the Delivery Point to occur during the applicable Delivery Period in accordance with the rules and procedures of the Transmission Provider. The Contract Quantity will be scheduled to Buyer on a Day-Ahead basis using an Inter-SC Trade (IST). “Inter-SC Trade” or “IST” has the meaning set forth in the CAISO Tariff.

Special Terms:

ZG RT Scheduling
Phone: 760-483-5000
Email: 24hrdesk@zgglobal.biz

ZG DA Scheduling
Phone: 916-221-1009
Email: DAscheduler@zgglobal.biz

Governing Terms: Unless otherwise noted in this confirmation, this transaction is governed by the terms and conditions of the Master Agreement between NextEra Energy Marketing, LLC and Silicon Valley Clean Energy Authority executed on March 14, 2019.

Upon receipt:

1. If this confirmation does not reflect your understanding of this Transaction please notify the Risk Management Department of NextEra Energy Marketing, LLC by fax at 561-625-7517 or email to NextEra.Confirmations@NextEraEnergy.com.
2. If this confirmation reflects your understanding of this Transaction please sign where indicated and fax to 561-625-7517 or email to NextEra.Confirmations@NextEraEnergy.com.

NextEra Energy Marketing, LLC
By: [Signature]
Name: Alfred Bartley
Title: Principal Trading Risk Analyst
Date: June 24, 2019
Contact: phone: 561-691-2488 fax: 561-625-7517

Silicon Valley Clean Energy Authority
By: [Signature]
Name: Don Eckert
Title: Director of Finance and Administration
Date: 6/24/2019
Contact:
CONFORMATION OF POWER PURCHASE AND SALE TRANSACTION

Annex A

Deal flows on the days outlined below, either excluding or including NERC holidays depending on the "Holidays" flag setting on Hour Type.

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>Days of Week</th>
<th>Hour Type</th>
<th>MW</th>
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<td></td>
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<td>7x8</td>
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<tr>
<td></td>
<td>Monday through Saturday</td>
<td>6x16</td>
<td></td>
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</tr>
</tbody>
</table>

On Peak

"6x16" means each hour during the Term beginning with Hour Ending ("HE") 0700 PPT through HE 2200 PPT Monday through Saturday excluding NERC Holidays.

700 Universe Blvd, EPM/JB, Juno Beach, Fl 33408
NEM Ref No: 2573974 page 3

NextEra Energy Confirm
CONFIRMATION OF POWER PURCHASE AND SALE TRANSACTION

Off Peak

"1x16" means each hour during the Term beginning with HE 0700 PPT through HE 2200 PPT, Sundays, and NERC Holidays.

"7x8" means each hour during the Term beginning with HE 0100 through HE 0600 and HE 2300 through HE 2400 PPT Sunday through Saturday including NERC Holidays.
Morgan Stanley

AMENDED. THIS CONFIRMATION RESTATES AND SUPERSEDES ANY CONFIRMATION PREVIOUSLY ISSUED BY US IN CONNECTION WITH THIS TRANSACTION.

Commodities

Morgan Stanley Capital Group Inc.
Attn: Commodities
1585 Broadway
New York, NY 10036-8293

Date: July 25, 2019
To: SILICON VALLEY CLEAN ENERGY AUTHORITY
650 WEST OLIVE AVENUE
SUNNYVALE CA 94086

Attention: Affirmation Team

Contact: Commodity Confirms
Phone: 443-627-5650
Fax: 914-750-0445
Email: CommodConfNY@morganstanley.com

Reference No.: E6712761 v. 2
Trade Date: July 24, 2019

This electronic communication and any attachments hereto, are intended only for use by the addresses(s) named herein and may contain legally privileged and/or confidential information, which is exempt from disclosure under applicable law. If you are not the intended recipient of this electronic communication, you are hereby notified that any examination, dissemination, disclosure, distribution, or copying of, or reliance on or use of this electronic communication, and any attachments hereto, is strictly prohibited. If you have received this electronic communication in error, please notify me immediately on the above telephone number and permanently destroy all copies of this electronic communication.

This confirmation confirms the terms of Morgan Stanley Capital Group Inc. ("MSCGI") agreement regarding the sale of firm energy (the "Transaction") to SILICON VALLEY CLEAN ENERGY AUTHORITY. The terms are as follows:

Purchaser: SILICON VALLEY CLEAN ENERGY AUTHORITY

Seller: MSCGI

Term: [redacted]

Delivery Hours:
Peak: Monday through Saturday, Exclude NERC holidays, HE 0700 through 2200 (16 hours)
Off Peak: Monday through Saturday, HE 0100 through 0600, 2300 through 2400 (8 hours) Sunday, HE 0100 through 2400 (24 hours), including NERC holidays.
Pacific Prevailing Time (PPT)

**Contract Quantity:**

**Delivery Point:**

**Energy Price:** As per Appendix I

**Special Conditions:** This purchase and sale of energy is Firm (LD). The parties agree to notify each other as soon as possible of any interruption or curtailment affecting this transaction.

**Scheduling:** Scheduling to be completed in accordance with WECC Guidelines.

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

A CAISO "Schedule Adjustment" (defined as a schedule change implemented by the CAISO that is neither caused by or within the control of either Party) shall not constitute an Uncontrollable Force; rather if there is a CAISO Schedule Adjustment, the Party negatively impacted shall notify the other Party and the Parties shall be obligated to exercise their reasonable efforts to reach an equitable resolution that reflects as nearly as practicable, the intention of the Transaction as originally negotiated. All terms used within the definition of CAISO Energy but not defined in the Agreement shall have the meaning ascribed to them in the Tariff.

**Morgan Stanley Real-Time Communications and Scheduling**

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<th>914-225-1501</th>
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</thead>
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<tr>
<td>Real Time (24 hour):</td>
<td>914-225-1500</td>
</tr>
</tbody>
</table>

The parties agree that this transaction is a Forward Contract within the meaning of the U.S. Commodity Exchange Act, and in reliance upon such agreement, each party represents to the other that, as of the date the transaction is entered into:

(a) It is a commercial market participant with respect to the specified commodity and is entering into the transaction in connection with its business; and

(b) It intends to make or take physical delivery of the specified commodity.
This letter is being provided pursuant to and in accordance with the EEI Master Agreement for purchase and sale of Physically settled Electricity in the US and Canada dated November 23, 2016, the ("Agreement") between SILICON VALLEY CLEAN ENERGY AUTHORITY and MSCGI, and constitutes part of and is subject to all the terms and provisions of such agreement. Terms used but not defined herein shall have the meaning ascribed to them in the Agreement.

If the recipient of the confirmation disagrees with any of the terms summarized herein, it shall promptly notify MSCGI by telephone and facsimile transmission. Please confirm that terms stated herein accurately reflect the agreement reached between SILICON VALLEY CLEAN ENERGY AUTHORITY and MSCGI by returning an executed copy of this Confirmation Letter. (Fax: 914-750-0445)

Yours Sincerely,

Parker Corbin
Authorised Signatory
Morgan Stanley Capital Group Inc.

Confirmed as of the date first written above:

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: Girish Balachandran
Name: Girish Balachandran
Title: CEO

Appendix I

<table>
<thead>
<tr>
<th>Calendar Month</th>
<th>Peak (MW)</th>
<th>Off Peak (MW)</th>
<th>Energy Price</th>
</tr>
</thead>
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</table>

Morgan Stanley Reference: E6712761
AMENDED. THIS CONFIRMATION RESTATES AND SUPERSEDES ANY CONFIRMATION
PREVIOUSLY ISSUED BY US IN CONNECTION WITH THIS TRANSACTION.

Commodities Morgan Stanley Capital Group Inc.

Attn: Commodities
1585 Broadway
New York, NY 10036-8293

Date: July 25, 2019
To: SILICON VALLEY CLEAN ENERGY AUTHORITY
650 WEST OLIVE AVENUE
SUNNYVALE CA 94086

Attention: Affirmation Team
Contact: Commodity Confirms
Phone: 443-627-5650
Fax: 914-750-0445
Email: CommodConfNY@morganstanley.com

Reference No.: E6712789 v. 2
Trade Date: July 24, 2019

This electronic communication and any attachments hereto, are intended only for use by the addresses(s) named herein and may contain legally privileged and/or confidential information, which is exempt from disclosure under applicable law. If you are not the intended recipient of this electronic communication, you are hereby notified that any examination, dissemination, disclosure, distribution, or copying of, or reliance on or use of this electronic communication, and any attachments hereto, is strictly prohibited. If you have received this electronic communication in error, please notify me immediately on the above telephone number and permanently destroy all copies of this electronic communication.

This confirmation confirms the terms of Morgan Stanley Capital Group Inc. ("MSCGI") agreement regarding the sale of firm energy (the "Transaction") to SILICON VALLEY CLEAN ENERGY AUTHORITY. The terms are as follows:

Purchaser: SILICON VALLEY CLEAN ENERGY AUTHORITY

Seller: MSCGI

Term: [redacted]

Delivery Hours: Peak: Monday through Saturday, Exclude NERC holidays, HE 0700 through 2200 (16 hours)
Off Peak: Monday through Saturday, HE 0100 through 0600, 2300 through 2400 (8 hours) Sunday, HE 0100 through 2400 (24 hours), including NERC holidays.

Pacific Prevailing Time (PPT)

Contract Quantity:

Delivery Point:

Energy Price: As per Appendix I

Special Conditions: This purchase and sale of energy is Firm (LD). The parties agree to notify each other as soon as possible of any interruption or curtailment affecting this transaction.

Scheduling: Scheduling to be completed in accordance with WECC Guidelines.

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

A CAISO "Schedule Adjustment" (defined as a schedule change implemented by the CAISO that is neither caused by or within the control of either Party) shall not constitute an Uncontrollable Force; rather if there is a CAISO Schedule Adjustment, the Party negatively impacted shall notify the other Party and the Parties shall be obligated to exercise their reasonable efforts to reach an equitable resolution that reflects as nearly as practicable, the intention of the Transaction as originally negotiated. All terms used within the definition of CAISO Energy but not defined in the Agreement shall have the meaning ascribed to them in the Tariff.

Morgan Stanley Real-Time Communications and Scheduling

Option Exercise Line: 914-225-1501
Prescheduling: 914-225-1501
Real Time (24 hour): 914-225-1500

The parties agree that this transaction is a Forward Contract within the meaning of the U.S. Commodity Exchange Act, and in reliance upon such agreement, each party represents to the other that, as of the date the transaction is entered into:

(a) It is a commercial market participant with respect to the specified commodity and is entering into the transaction in connection with its business; and
(b) It intends to make or take physical delivery of the specified commodity.

This letter is being provided pursuant to and in accordance with the EEI Master Agreement for purchase and sale of Physically settled Electricity in the US and Canada dated November 23, 2016, the ("Agreement") between SILICON VALLEY CLEAN ENERGY AUTHORITY and MSCGI, and constitutes part of and is subject to all the terms and provisions of such agreement. Terms used but not defined herein shall have the meaning ascribed to them in the Agreement.

If the recipient of the confirmation disagrees with any of the terms summarized herein, it shall promptly notify MSCGI by telephone and facsimile transmission. Please confirm that terms stated herein accurately reflect the agreement reached between SILICON VALLEY CLEAN ENERGY AUTHORITY and MSCGI by returning an executed copy of this Confirmation Letter. (Fax: 914-750-0445)

Yours Sincerely,

Parker Corbin
Authorised Signatory
Morgan Stanley Capital Group Inc.

Confirmed as of the date first written above:

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: Girish Balachandran

Name: Girish Balachandran
Title: CEO

Appendix I

<table>
<thead>
<tr>
<th>Calendar Month</th>
<th>Peak (MW)</th>
<th>Off Peak (MW)</th>
<th>Energy Price</th>
</tr>
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Morgan Stanley Reference: E6712789
MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER - RESOURCE ADEQUACY BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY AND
OHMCONNECT, INC.

This Confirmation Letter ("Confirmation") confirms the Transaction between OhmConnect, Inc, a Delaware corporation ("Seller") and Silicon Valley Clean Energy Authority, a California joint powers authority ("Buyer"), each individually a "Party" and together the "Parties", dated as of July 5th, 2019 (the "Confirmation Effective Date") in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Article 3 of this Confirmation.

This Transaction is governed by the Western System Power Pool Agreement, effective as of June 21, 2018, as amended from time to time (the "WSPP Agreement"). The WSPP Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPP Agreement or the Tariff (defined herein below).

ARTICLE 1. DEFINITIONS

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

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

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

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

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

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

1.7 "Capacity Replacement Price" means (a) the price actually paid for any Replacement Capacity purchased by Buyer pursuant to Section 4.7 hereof, plus costs reasonably incurred by Buyer in purchasing such Replacement Capacity, or (b) absent a purchase of any Replacement Capacity, the market price for such Designated RA Capacity not provided at the Delivery Point. The Buyer shall determine such market prices in a commercially reasonable manner. For purposes of Section 4 of the WSPP Agreement, "Capacity Replacement Price" shall be deemed to be the "Replacement Price."

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

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

1.10 "Contingent Firm RA Product" has the meaning specified in Section 3.2 hereof.

1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified for such Monthly Delivery Period in the "RA Capacity Price Table" set forth in Section 4.9.

1.12 "Contract Quantity" means, with respect to any particular Showing Month of the Delivery Period, the amount of Product (in MWs) set forth in table in Section 4.3 which Seller has agreed to provide to Buyer from the Unit for such Showing Month.

1.13 "CPUC Decisions" means, to the extent still applicable, CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050 and subsequent decisions related to resource adequacy, as may be amended from time to time by the CPUC.
1.14 “CPUC Filing Guide” means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSE’s to demonstrate compliance with the CPUC’s resource adequacy program.

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

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

1.17 “Designated RA Capacity” shall be equal to, with respect to any particular Showing Month of the Delivery Period, the Contract Quantity of Product (including any Alternate Capacity) for such Showing Month, minus (i) any reductions to Contract Quantity made by Seller pursuant to Section 4.4 and for which Seller has not elected to provide Alternate Capacity; and (ii) any reductions resulting from an event other than a Non-Excusable Event.

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

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

1.20 “Flexible RAR Showing” means the Flexible RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to an LRA of competent jurisdiction over the LSE.

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

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

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

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

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

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

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

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

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

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

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

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

1.33 "Outage" means any CAISO approved disconnection, separation, or reduction in the capacity of any Unit that relieves all or part of the offer obligations of the Unit consistent with the Tariff.

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

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

1.36 "RA Attributes" means, with respect to a Unit, any and all resource adequacy attributes, as they are identified as of the Confirmation Effective Date by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and Flexible RA Attributes.

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

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

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

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

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

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

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

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

1.45 "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, as set forth in the CPUC Decisions. For illustrative purposes only, pursuant to the CPUC Decisions in effect as of the Confirmation Effective Date, the monthly RAR Showing made in July is for the Showing Month of September.
1.46 "Supply Plan" means the supply plan, or similar or successor filing, that a Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other applicable Governmental Body pursuant to Applicable Laws in order for the RA Attributes or LAR Attributes of such RA Capacity to count.

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

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

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

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

1.51 "Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. The Parties agree that if the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, that for the period in which the adjustment is effective, the Unit NQC shall be deemed the lesser of (i) the Unit NQC as of the Confirmation Effective Date, or (ii) the CAISO-adjusted Net Qualifying Capacity.

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

**ARTICLE 2. UNIT INFORMATION**

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<thead>
<tr>
<th>Name</th>
<th>OHM1_SVCE_SEPT19</th>
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<tbody>
<tr>
<td>Location</td>
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</tr>
<tr>
<td>CAISO Resource ID</td>
<td>See Appendix A</td>
</tr>
<tr>
<td>Unit SCID</td>
<td>OHM1</td>
</tr>
<tr>
<td>Unit NQC</td>
<td>See Appendix A</td>
</tr>
<tr>
<td>Unit EFC</td>
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<tr>
<td>Resource Type</td>
<td>Proxy Demand Resource (PDR)</td>
</tr>
<tr>
<td>Resource Category (1, 2, 3 or 4)</td>
<td>Resource Category 1</td>
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<tr>
<td>Flexible RAR Category (1, 2 or 3)</td>
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<td>Path 26 (North or South)</td>
<td>South</td>
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<tr>
<td>Local Capacity Area (if any, as of Confirmation Effective Date)</td>
<td>NA</td>
</tr>
<tr>
<td>Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment</td>
<td>NA</td>
</tr>
<tr>
<td>Run Hour Restrictions</td>
<td>Available from 4pm – 9pm PT</td>
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</table>

**ARTICLE 3. RESOURCE ADEQUACY CAPACITY PRODUCT**

3.1 Resource Adequacy Capacity Product

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Agreement, the Designated RA Capacity in accordance with the product types selected in Section 3.2 (the "Product") and the Contract Quantity set forth in Section 4.3. The Product does not confer to Buyer any right to the electrical output from the Units. Rather, the Product confers the right to include the Designated RA Capacity in RAR Showings, LAR
Showings, Flexible RAR Showings, if applicable, and any other capacity or resource adequacy markets or proceedings as specified in this Confirmation. Specifically, no energy or ancillary services associated with any Unit is required to be made available to Buyer as part of this Transaction, and Buyer shall not be responsible for compensating Seller for Seller’s commitments to the CAISO required by this Confirmation. Seller retains the right to sell any RA Capacity from a Unit in excess of that Unit’s Contract Quantity and any RA Attributes, LAR Attributes or Flexible RA Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.2 Product Type

☐ Flexible RA Product

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

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

☒ Generic RA Product

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

[X] RAR Attributes
[ ] LAR Attributes

3.3 Delivery Obligation

☐ Contingent Firm RA Product

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

ARTICLE 4. DELIVERY AND PAYMENT

4.1 Delivery Period

The Delivery Period shall be: September 1, 2019, through September 30, 2019, inclusive.

4.2 Delivery Point

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

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>Total Generic RAR Contract Quantity (MWs)</th>
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4.4 Adjustments to Contract Quantity

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

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

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

4.5 Notification Deadline and Replacement Units

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

(b) If Seller desires to provide the Contract Quantity of Product for any Showing Month from a generating unit other than the Unit (a "Replacement Unit"), then Seller may, at no additional cost to Buyer, provide Buyer with Product from one or more Replacement Units, up to the Contract Quantity, for the applicable Showing Month; provided that in each case, Seller shall notify Buyer in writing of such Replacement Units no later than the Notification Deadline. If Seller notifies Buyer in writing as to the particular Replacement Units and such Units meet the requirements of this Section 4.5, then such Replacement Units shall be automatically deemed a Unit for purposes of this Confirmation for the remaining portion of that Showing Month.

(c) If Seller fails to provide Buyer the Contract Quantity of Product or Alternate Capacity for a given Showing Month during the Delivery Period, then (i) Buyer may, but shall not be required to, purchase Product from a third party; and (ii) Seller shall not be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof if such failure is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4, or (B) an event other than a Non-Excusable Event.

4.6 Delivery of Product

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

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

4.7 Damages for Failure to Provide Designated RA Capacity

If Seller fails to provide Buyer with the Designated RA Capacity of Product for any Showing Month, and such failure is not excused under the terms of the Agreement, then the following shall apply:

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

(b) Seller shall pay to Buyer an amount equal to the positive difference, if any, between (i) the sum of (A) the actual cost paid by Buyer for any Replacement Capacity, and (B) each Capacity Replacement Price times the amount of the Designated RA Capacity neither provided by Seller nor purchased by Buyer pursuant to Section 4.7(a); minus (ii) the Designated RA Capacity not provided for the applicable Showing Month times the Contract Price for that month. If Seller fails to pay these damages, then Buyer may offset those damages owed it against any CAISO revenues or future amounts it may owe to Seller under this Confirmation pursuant to the WSPP Agreement.

4.8 Indemnities for Failure to Deliver Contract Quantity

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

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

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

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

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

Notwithstanding Section 9 of the WSPP Agreement, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit, in arrears, after the applicable Showing Month. Each Unit’s Monthly RA Capacity Payment shall be equal to the product of (a) the applicable Contract Price for that Monthly Delivery Period, (b) the Designated RA Capacity for the Monthly Delivery Period, and (c) 1,000, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be prorated to reflect any portion of Designated RA Capacity that was not delivered pursuant to Section 4.4 at the time of the CAISO filing for the respective Showing Month.

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>RAR Capacity Price ($/kW-month)</th>
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</table>

4.10 Allocation of Other Payments and Costs

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

ARTICLE 5. CAISO OFFER REQUIREMENTS

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event other than a Non-Excusable Event, that results in a partial or full outage of that Unit, Seller shall either schedule or cause the Unit’s Scheduling Coordinator to schedule with, or make available to, the CAISO each Unit’s Designated RA Capacity in compliance with the Tariff, and shall perform all, or cause the Unit’s Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the sale of Designated RA Capacity hereunder. Buyer shall have no liability for the failure of Seller or the failure of any Unit’s Scheduling Coordinator, owner, or operator to comply with such Tariff provisions, including any penalties or fines imposed on Seller or the Unit’s Scheduling Coordinator, owner, or operator for such noncompliance.
ARTICLE 6. GOVERNING LAW

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

ARTICLE 7. OTHER BUYER AND SELLER COVENANTS

7.1 Further Assurances

Buyer and Seller shall, throughout the Delivery Period, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer’s right to the use of the Contract Quantity for the sole benefit of Buyer’s applicable RAR, LAR and Flexible RAR. Such commercially reasonable actions shall include, without limitation:

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

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

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

7.2 Seller Representations and Warranties

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

(a) Seller owns or has the exclusive right to the RA Capacity sold under this Confirmation from each Unit, and shall furnish Buyer, the CAISO, the CPUC, a LRA of competent jurisdiction, or other Governmental Body with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;

(b) No portion of the Contract Quantity has been committed by Seller to any third party in order to satisfy such third party’s applicable RAR, LAR or Flexible RAR or analogous obligations in CAISO markets, other than pursuant to an RMR Agreement between the CAISO and either Seller or the Unit’s owner or operator;

(c) No portion of the Contract Quantity has been committed by Seller in order to satisfy RAR, LAR or Flexible RAR, or analogous obligations in any non-CAISO market;
(d) Each Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, or is under the control of CAISO;

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

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

(g) If Seller is the owner of any Unit, the aggregation of all amounts of applicable LAR Attributes, RA Attributes and Flexible RA Attributes that Seller has sold, assigned or transferred for any Unit does not exceed that Unit's RA Capacity;

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

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

(j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each Unit's Scheduling Coordinator to provide to the Buyer, by the Notification Deadline, the Designated RA Capacity of each Unit that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and

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

ARTICLE 8. CONFIDENTIALITY

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

ARTICLE 9. BUYER'S RE-SALE OF PRODUCT

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

ARTICLE 10. MARKET BASED RATE AUTHORITY

Upon Buyer's written request, Seller shall, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, submit a letter of concurrence in support of any affirmative statement by Buyer that this contractual arrangement does not transfer "ownership or control of generation capacity" from Seller to Buyer as the term "ownership or control of generation capacity" is used in 18 CFR Section 35.42. Seller shall not, in filings, if any, made subject to Order Nos. 652 and 697, claim that this contractual arrangement conveys ownership or control of generation capacity from Seller to Buyer.
ARTICLE 11. COLLATERAL REQUIREMENTS

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

ARTICLE 12. COUNTERPARTS

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

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

SILICON VALLEY CLEAN ENERGY
AUTHORITY, a California joint powers authority
By: ____________________________
Name: Donald E. Kent Jr.
Title: Director of Finance & Admin

OHMCONNECT, a Delaware Corporation
By: ____________________________
Name: Matt Duesterberg
Title: CEO
# APPENDIX A. CAISO RESOURCES CONTRACTED

<table>
<thead>
<tr>
<th>Location</th>
<th>Resource ID</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>
CONFIRMATION LETTER - RESOURCE ADEQUACY
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY
AND
SONOMA CLEAN POWER AUTHORITY

This Confirmation Letter ("Confirmation") confirms the Transaction between Silicon Valley Clean Energy Authority, a California joint powers authority ("Seller") and Sonoma Clean Power Authority, a California joint powers authority ("Buyer"), each individually a "Party" and together the "Parties", dated as of July 12, 2019 (the "Confirmation Effective Date") in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Article 3 of this Confirmation.

This Transaction is governed by the Western System Power Pool Agreement, effective as of June 21, 2018, as amended from time to time (the "WSPP Agreement"). The WSPP Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPP Agreement or the Tariff (defined herein below).

ARTICLE 1. DEFINITIONS

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

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

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

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

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

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

1.7 "Capacity Replacement Price" means (a) the price actually paid for any Replacement Capacity purchased by Buyer pursuant to Section 4.7 hereof, plus costs reasonably incurred by Buyer in purchasing such Replacement Capacity, or (b) absent a purchase of any Replacement Capacity, the market price for such Designated RA Capacity not provided at the Delivery Point. The Buyer shall determine such market prices in a commercially reasonable manner. For purposes of Section 4 of the WSPP Agreement, "Capacity Replacement Price" shall be deemed to be the "Replacement Price."

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

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

1.10 "Contingent Firm RA Product" has the meaning specified in Section 3.3 hereof.
1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified for such Monthly Delivery Period in the "RA Capacity Price Table" set forth in Section 4.9.

1.12 "Contract Quantity" means, with respect to any particular Showing Month of the Delivery Period, the amount of Product (in MWs) set forth in the "Contract Quantity (MWs) Table" in Section 4.3 which Seller has agreed to provide to Buyer from the Unit for such Showing Month.

1.13 "CPUC Decisions" means, to the extent still applicable, CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050 and subsequent decisions related to resource adequacy, as may be amended from time to time by the CPUC.

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

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

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

1.17 "Designated RA Capacity" shall be equal to, with respect to any particular Showing Month of the Delivery Period, the Contract Quantity of Product (including any Alternate Capacity) for such Showing Month, minus (i) any reductions to Contract Quantity made by Seller pursuant to Section 4.4 and for which Seller has not elected to provide Alternate Capacity; and (ii) any reductions resulting from an event other than a Non-Excusable Event.

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

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

1.20 "Flexible RAR Showing" means the Flexible RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to an LRA of competent jurisdiction over the LSE.

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

1.22 "LAR" means local area reliability, which is any program of localized resource adequacy requirements established for jurisdictional LSEs by the CPUC pursuant to the CPUC Decisions, or by another LRA of competent jurisdiction over the LSE. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.
1.23 “LAR Attributes” means, with respect to a Unit, any and all local resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC, CAISO, LRA, or other Governmental Body of competent jurisdiction, associated with the physical location or point of electrical interconnection of such Unit within the CAISO Control Area, that can be counted toward LAR, exclusive of any RA Attributes and Flexible RA Attributes. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or re-defines existing local areas, then such change will not result in a change in payments made pursuant to this Transaction.

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

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

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

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

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

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

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

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

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

1.33 “Outage” means any CAISO approved disconnection, separation, or reduction in the capacity of any Unit that relieves all or part of the offer obligations of the Unit consistent with the Tariff.

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

1.36 "RA Attributes" means, with respect to a Unit, any and all resource adequacy attributes, as they are identified as of the Confirmation Effective Date by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and Flexible RA Attributes.

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

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

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

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

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

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

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

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

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

1.46 "Supply Plan" means the supply plan, or similar or successor filing, that a Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other applicable Governmental Body pursuant to Applicable Laws in order for the RA Attributes or LAR Attributes of such RA Capacity to count.

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

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

1.49 "Unit" or "Units" shall mean the generation assets described in Article 2 hereof (including any Replacement Units), from which RA Capacity is provided by Seller to Buyer. A Unit shall not be a coal-fired generating facility.
1.50 "Unit EFC" means the effective flexible capacity that is or will be set by the CAISO for the applicable Unit.

1.51 "Unit NQC" means the Net Qualifying Capacity set by the CAISO for the applicable Unit. The Parties agree that if the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, that for the period in which the adjustment is effective, the Unit NQC shall be deemed the lesser of (i) the Unit NQC as of the Confirmation Effective Date, or (ii) the CAISO-adjusted Net Qualifying Capacity.

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

ARTICLE 2. UNIT INFORMATION

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<tr>
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<td>Run Hour Restrictions</td>
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</tbody>
</table>

ARTICLE 3. RESOURCE ADEQUACY CAPACITY PRODUCT

3.1 Resource Adequacy Capacity Product

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Agreement, the Designated RA Capacity in accordance with the product types selected in Section 3.2 (the "Product") and the Contract Quantity set forth in Section 4.3. The Product does not confer to Buyer any right to the electrical output from the Units. Rather, the Product confers the right to include the Designated RA Capacity in RAR Showings, LAR Showings, Flexible RAR Showings, if applicable, and any other capacity or resource adequacy markets or proceedings as specified in this Confirmation. Specifically, no energy or ancillary services associated with any Unit is required to be made available to Buyer as part of this Transaction, and Buyer shall not be responsible for compensating Seller for Seller's commitments to the CAISO required by this Confirmation. Seller retains the right to sell any RA Capacity from a Unit in excess...
of that Unit’s Contract Quantity and any RA Attributes, LAR Attributes or Flexible RA Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

3.2 **Product Type**

☐ **Flexible RA Product**

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

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

☐ **Generic RA Product**

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

- [X] RAR Attributes
- [ ] LAR Attributes

3.3 **Delivery Obligation**

☐ **Contingent Firm RA Product**

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

**ARTICLE 4. DELIVERY AND PAYMENT**

4.1 **Delivery Period**

The Delivery Period shall be: [blank]
4.2 **Delivery Point**

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

4.3 **Contract Quantity**

The Contract Quantity for each Monthly Delivery Period shall be:

<table>
<thead>
<tr>
<th>Contract Month</th>
<th>Total RAR Contract Quantity (MWs)</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
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</table>

4.4 **Adjustments to Contract Quantity**

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

(b) **Invoice Adjustment**: In the event that the Contract Quantity is reduced due to (i) a Planned Outage as set forth in Section 4.4(a) above or (ii) a reduction in Unit NQC and/or Unit EFC as set forth in Section 4.4(c) below and Seller does not elect to provide Alternate Capacity, then the invoice for such month(s) shall be adjusted to reflect a daily pro rata amount for the duration of such reduction.

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

4.5 **Notification Deadline and Replacement Units**

(a) The “Notification Deadline” in respect of a Showing Month shall be fifteen (15) Business Days before the earlier of the relevant deadlines for (a) the corresponding RAR Showings, Flexible RAR Showings and/or LAR Showings for such Showing Month, and (b) the CAISO Supply Plan filings applicable to that Showing Month.

(b) If Seller desires to provide the Contract Quantity of Product for any Showing Month from a generating unit other than the Unit (a “Replacement Unit”), then Seller may, at no
additional cost to Buyer, provide Buyer with Product from one or more Replacement Units, up to the Contract Quantity, for the applicable Showing Month; provided that in each case, Seller shall notify Buyer in writing of such Replacement Units no later than the Notification Deadline. If Seller notifies Buyer in writing as to the particular Replacement Units and such Units meet the requirements of this Section 4.5, then such Replacement Units shall be automatically deemed a Unit for purposes of this Confirmation for the remaining portion of that Showing Month, provided however that the Replacement Unit shall not be a coal-fired generating facility.

(c) If Seller fails to provide Buyer any portion of the Designated RA Capacity for a given Showing Month during the Delivery Period, then Buyer may, but shall not be required to, purchase such Product from a third party. Seller shall not be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof to the extent the failure to deliver the Contract Quantity is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4, or (B) an event other than a Non-Excusable Event.

4.6 Delivery of Product

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

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

(c) The Product is delivered and received when the CIRA Tool shows the Supply Plan accepted for the Product from the Unit by CAISO or Seller complies with Buyer's instruction to withhold all or part of the Contract Quantity from Seller's Supply Plan for any Showing Month during the Delivery Period. Seller has failed to deliver the Product if (i) Buyer has elected to submit the Product from the Unit in its Resource Adequacy Plan and such submission is accepted by the CPUC and the CAISO but the Supply Plan and Resource Adequacy Plan are not matched in the CIRA Tool due to a Seller error, and are rejected by CAISO or (ii) Seller fails to submit the volume of Designated RA Capacity for any Showing Month pursuant to this Confirmation. Buyer will have received the Contract Quantity if (i) Seller's Supply Plan is accepted by the CAISO for the applicable Showing Month or, (ii) Seller correctly submits the Supply Plan and the Supply Plan and/or Resource Adequacy Plan are not matched in the CIRA Tool due to a Buyer error, or (iii) Seller complies with Buyer's instruction to withhold all or part of the Contract Quantity from Seller's Supply Plan for the applicable Showing Month. Seller will not have failed to deliver the Contract
Quantity if Buyer fails or chooses not to submit the Unit and the Product in its Resource Adequacy Plan with the CPUC or CAISO.

4.7 **Damages for Failure to Provide Designated RA Capacity**

If Seller fails to provide Buyer with the Designated RA Capacity of Product for any Showing Month, and such failure is not excused under the terms of the Agreement, then the following shall apply:

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

(b) Seller shall pay to Buyer an amount equal to the positive difference, if any, between (i) the sum of (A) the actual cost paid by Buyer for any Replacement Capacity, and (B) each Capacity Replacement Price times the amount of the Designated RA Capacity neither provided by Seller nor purchased by Buyer pursuant to Section 4.7(a); minus (ii) the Designated RA Capacity not provided for the applicable Showing Month times the Contract Price for that month. If Seller fails to pay these damages, then Buyer may offset those damages owed it against any CAISO revenues or future amounts it may owe to Seller under this Confirmation pursuant to the WSPP Agreement.

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

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

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

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

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

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

4.9 Monthly RA Capacity Payment

Notwithstanding Section 9 of the WSPP Agreement, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit, in arrears, after the applicable Showing Month. Each Unit’s Monthly RA Capacity Payment shall be equal to the product of (a) the applicable Contract Price for that Monthly Delivery Period, (b) the Designated RA Capacity for the Monthly Delivery Period, and (c) 1,000, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be prorated to reflect any portion of Designated RA Capacity that was not delivered pursuant to Section 4.4 at the time of the CAISO filing for the respective Showing Month.

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<th>Contract Month</th>
<th>RAR Capacity Price ($/kW-month)</th>
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4.10 Allocation of Other Payments and Costs

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

**ARTICLE 5. CAISO OFFER REQUIREMENTS**

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

**ARTICLE 6. GOVERNING LAW**

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

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

**7.1 Further Assurances**

Buyer and Seller shall, throughout the Delivery Period, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer’s right to the use of the Contract Quantity for the sole benefit of Buyer’s applicable RAR, LAR and Flexible RAR. Such commercially reasonable actions shall include, without limitation:

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

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

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

7.2 Seller Representations and Warranties

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

(a) Seller owns or has the exclusive right to the RA Capacity sold under this Confirmation from each Unit, and shall furnish Buyer, the CAISO, the CPUC, a LRA of competent jurisdiction, or other Governmental Body with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;

(b) No portion of the Contract Quantity has been committed by Seller to any third party in order to satisfy such third party’s applicable RAR, LAR or Flexible RAR or analogous obligations in CAISO markets, other than pursuant to an RMR Agreement between the CAISO and either Seller or the Unit’s owner or operator;

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

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

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

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

(g) If Seller is the owner of any Unit, the aggregation of all amounts of applicable LAR Attributes, RA Attributes and Flexible RA Attributes that Seller has sold, assigned or transferred for any Unit does not exceed that Unit’s RA Capacity;

(h) With respect to the RA Capacity provided under this Confirmation, Seller shall, and each Unit’s Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR and Flexible RAR;
(i) Seller has notified the Scheduling Coordinator of each Unit that Seller has transferred the Designated RA Capacity to Buyer, and the Scheduling Coordinator is obligated to deliver the Supply Plans in accordance with the Tariff;

(j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each Unit’s Scheduling Coordinator to provide to the Buyer, by the Notification Deadline, the Designated RA Capacity of each Unit that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and

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

ARTICLE 8. CONFIDENTIALITY

In addition to the rights and obligations in the WSPP Agreement, the Parties agree that Buyer may disclose the Designated RA Capacity under this Transaction to any Governmental Body, the CPUC, the CAISO or any LRA of competent jurisdiction in order to support its applicable LAR, RAR or Flexible RAR Showings, if applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the Scheduling Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans. Each Party recognizes that this Confirmation is subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.).

ARTICLE 9. BUYER’S RE-SALE OF PRODUCT

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

ARTICLE 10. MARKET BASED RATE AUTHORITY

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

ARTICLE 11. COLLATERAL REQUIREMENTS

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

ARTICLE 12. JOINT POWERS AUTHORITY

Each Party hereby acknowledges and agrees that the other Party is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (California Government Code Sections
6500 et seq.) and is a public entity separate and distinct from its members. Each Party shall solely be responsible for all of such Party’s debts, obligations and liabilities accruing and arising out of this Agreement, and each Party agrees that it shall have no rights and shall not make any claim, take any actions or assert any remedies against any of the other Party’s members, any cities or counties participating in Buyer’s community choice aggregation program, or any of Buyer’s retail customers in connection with the Transaction to which this Confirmation applies.

ARTICLE 13. 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 Documentary Writing executed by both Parties, and no amendment or modification to this Confirmation shall be enforceable except through a Documentary Writing executed by both Parties.

ARTICLE 14. COUNTERPARTS

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

[Signatures appear on the following page]
ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

SONOMA CLEAN POWER, A CALIFORNIA JOINT POWERS AUTHORITY

By: [Signature]

Name: Deb Emerson

Title: Director of Power Services

SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY

By: [Signature]

Name: Girish Balachandran

Title: CEO

By: [Signature]

Name: Rebecca Simonson

Title: Power Services Manager