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 September 11, 2019, Board of Directors Special Meeting

1b) Approve Minutes of the September 11, 2019, Board of Directors Meeting

1c) Receive August 2019 Treasurer Report

1d) Approve Scholarship Funds for 2020 Bike to the Future Competition

1e) Receive Q3 Update of the Decarbonization Strategy and Programs Roadmap

1f) Receive Innovation Programs Update and Approve Cash Prizes for 2020 Hackathon

1g) Adopt Resolution Approving Addition of New SVCE Rate Schedules and Rates, to Correspond with New PG&E Commercial and Industrial “B” Rates

1h) Adopt Resolution Certifying Representatives on River City Bank Loans

1i) Audit Committee Report

1j) Legislative Ad Hoc Committee Report

1k) Executive Committee Report
1) Finance and Administration Committee Report

Regular Calendar

2) CEO Report (Discussion)

3) SVCE Workshop – Outlining Policy Options and Providing Background Related to Carbon-free Power and SVCE Integrated Resource Plan Debrief (Discussion)

Board Member Announcements and Direction on Future Agenda Item

Adjourn

svcleanenergy.org

333 W El Camino Real
Suite 290
Sunnyvale, CA 94087

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

Chair Abe-Koga called the meeting to order at 6:05 p.m.

Roll Call

Present:

Directors
Chair Margaret Abe-Koga, City of Mountain View
Vice Chair Howard Miller, City of Saratoga
Director Liz Gibbons, City of Campbell
Director Rod Sinks, City of Cupertino
Director Fred Tovar, City of Gilroy
Director Jeannie Bruins, City of Los Altos (arrived at 6:17 p.m.)
Director Courtenay Corrigan, Town of Los Altos Hills (arrived at 6:19 p.m.)
Director Marico Sayoc, Town of Los Gatos (arrived at 6:08 p.m.)
Director Carmen Montano, City of Milpitas
Director Javed Ellahie, City of Monte Sereno
Director Susan Ellenberg, County of Santa Clara
Director Nancy Smith, City of Sunnyvale

Alternate Directors
Alternate Director George Tyson, Town of Los Altos Hills (arrived at 6:12 p.m.)
Alternate Director Elaine Marshall, City of Milpitas
Alternate Director Tony Eulo, City of Morgan Hill
Alternate Director Gustav Larsson, City of Sunnyvale

Absent:

Directors
Director Yvonne Martinez Beltran, City of Morgan Hill

Alternate Directors
Alternate Director Susan M. Landry, City of Campbell
Alternate Director Darcy Paul, City of Cupertino
Alternate Director Carol Marques, City of Gilroy
Alternate Director Neysa Fligor, City of Los Altos
Alternate Director Rob Rennie, Town of Los Gatos
Alternate Director Liz Lawler, City of Monte Sereno
Alternate Director Lisa Matichak, City of Mountain View
Alternate Director Manny Cappello, City of Saratoga
Alternate Director Dave Cortese, County of Santa Clara

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

**Regular Calendar**

1) SVCE Workshop – Outlining Policy Options and Providing Background Related to Carbon-free Power and SVCE Integrated Resource Plan

CEO Balachandran welcomed participants to the workshop and provided introductory comments, Manager of Regulatory and Legislative Affairs Staver and Director of Power Resources Monica Padilla presented a PowerPoint presentation and responded to Board member questions.

Directors requested staff host an additional workshop and develop a matrix which outlines SVCE’s energy resources portfolio, SVCE’s short-term and long-term contracts, include the resources SVCE is proposing, include what the other resource alternatives are, and include the costs associated with considering alternative resources.

Director Corrigan suggested the workshop be held in a place large enough to accommodate all Directors, Alternate Directors, and members of committees and city staff.

Chair Abe-Koga opened public comment.

James Tuleya, Sunnyvale resident, commented there is a lot that has changed since SVCE began, so looking at all options is necessary to remain carbon-free.

Chair Abe-Koga closed public comment.

**Adjourn**
Chair Abe-Koga adjourned the meeting at 6:56 p.m.
Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, September 11, 2019
7:00 pm
Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

DRAFT MINUTES

Call to Order

Chair Abe-Koga called the meeting to order at 7:08 p.m.

Roll Call

Present:
Chair Margaret Abe-Koga, City of Mountain View
Vice Chair Howard Miller, City of Saratoga
Director Carmen Montano, City of Milpitas
Director Javed Ellahie, City of Monte Sereno
Director Marico Sayoc, Town of Los Gatos
Director Nancy Smith, City of Sunnyvale
Director Rod Sinks, City of Cupertino
Director Courtenay Corrigan, Town of Los Altos Hills
Director Liz Gibbons, City of Campbell
Director Jeannie Bruins, City of Los Altos
Director Susan Ellenberg, County of Santa Clara
Alternate Director Anthony Eulo, City of Morgan Hill
Director Fred Tovar, City of Gilroy

Absent:
None.

Chair Abe-Koga led a moment of silence in remembrance of September 11, 2001.

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.

Chair Abe-Koga requested to pull Item 1f) Approve Amendment No. 2 to Employment Agreement for Chief Executive Officer to be addressed following the closed session item.

MOTION: Director Corrigan moved and Director Smith seconded the motion to approve the Consent Calendar with the exception of Item 1f) Approve Amendment No. 2 to Employment Agreement for Chief Executive Officer.
The motion carried unanimously.

1a) Approve Minutes of the August 14, 2019, Board of Directors Meeting
1b) Approve Minutes of the August 14, 2019 Board of Directors Special Meeting
1c) Receive July 2019 Treasurer Report
1d) SVCE 2018 Annual Power Source Disclosure Report Attestation
1e) Approve Renewal of $35 million Line of Credit with River City Bank
1g) Authorize the Chief Executive Officer to Execute Agreement with Maher Accountancy for Accountant Services
1h) Authorize the Chief Executive Officer to Execute Agreement with Braun Blaising Smith Wynn P.C. (“BBSW”)
1i) Authorize the Chief Executive Officer to Execute Agreement with Pacific Printing for Printing Services
1j) Adopt Resolution to Authorize the Chief Executive Officer to Amend Approved Master Agreement with NextEra Energy Marketing, LLC
1k) Authorize the Chief Executive Officer to Execute Agreement with Pacific Energy Advisors for Technical Consulting Services
1l) Audit Committee Report

Regular Calendar

2) CEO Report (Discussion)

CEO Girish Balachandran provided a CEO report which included introductions of Associate Energy Consultant Jessica Cornejo and Climate Corp Fellow Lauren Goldfarb; both provided brief comments.

Manager of Regulatory and Legislative Affairs Hilary Staver provided an update on regulatory and legislative affairs.

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

3) Finance and Administration Committee Membership (Action)

CEO Balachandran introduced the item and responded to Board member questions. Vice Chair Miller provided feedback on the item as the Chair of the committee.

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

MOTION: Director Gibbons moved and Alternate Director Eulo seconded the motion to transition the Finance and Administration Committee to a five-member board.

Director Corrigan requested clarification if the five-member make up was in perpetuity or until February 2020; Director Gibbons noted the Board could decide in February.

The motion carried unanimously.

4) Adopt Fiscal Year 2019-20 Operating Budget and Resolution Amending the Positions Chart, Job Classifications, and Salary Schedule (Action)

Director of Finance and Administration Don Eckert presented a PowerPoint presentation and responded to Board member questions.
Chair Abe-Koga opened public comment.
No speakers.
Chair Abe-Koga closed public comment.

MOTION: Director Tovar moved and Director Bruins seconded the motion to approve the recommended Fiscal Year 2019-20 Operating Budget and Resolution 2019-15 amending the positions chart, job classifications, and salary schedule.

The motion carried unanimously.

5) Approve the Electric Vehicle Infrastructure Joint Action Plan (Action)

Director of Account Services and Community Relations Don Bray introduced consultants Richard Schorske and Sam Irvine of E-Mobility Group, and presented a PowerPoint presentation; staff responded to Board member questions.

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

Director Sinks urged staff to keep strong connections and engage further with the California Air Resources Board (CARB) and Bay Area Air Quality Management District (BAAQMD) to be as effective as possible, and suggested SVCE think of a way to encourage cities which do not have effective transit to invest in EV fleets rather than fleets which run on gas.

Director Corrigan commented she feels it is important to continue to support the privileges that come with ownership of an EV, including:
- Supporting carpool extensions and use of carpool lanes throughout California,
- Continue to support other state initiatives that will help incentivize people to purchase EVs,
- Working with corporate partners with companies SVCE is trying to keep from going to direct access, and
- Looking at free charging programs for their employees as an additional employment perk.

Director Corrigan noted the mentioned items are key things whether they are handled by SVCE or by our legislature.

Schorske of E-Mobility Group provided additional information regarding vehicle-to-grid (V2g) operation for electric school buses.

MOTION: Alternate Director Eulo moved and Director Smith seconded the motion to approve the Electric Vehicle Infrastructure Joint Action Plan.

The motion carried unanimously.

6) Executive Committee Meeting Report (Discussion)

Chair Abe-Koga reported the Executive Committee met August 23 and discussed customer communications, the electric vehicle infrastructure joint action plan, and received an update on the workforce development initiative. The group also discussed changing their regular meeting schedule, which will remain the same with the exception of a revised start time of 9 a.m. The next committee meeting is scheduled for September 27th, 9 a.m., at the SVCE Office.

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

7) Finance and Administration Committee Report (Discussion)
Vice Chair Miller reported the Finance and Administration Committee met September 3rd and discussed the FY 2019-20 Operating Budget, multiple contracts on the Board meeting consent calendar, and renewal of the $35 million Line of Credit. The committee also received an update on SVCE obtaining a credit rating.

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

8) Legislative Ad Hoc Committee Report (Discussion)

Director Sinks reported the Legislative Ad Hoc Committee met on August 27, 2019 and discussed development on various bills of interest, received an update from SVCE’s lobbyist on the state of the legislature, prepared for advocacy, and discussed the issues CAISO faces. Director Sinks thanked committee members and staff for their hard work during the legislative session.

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

Board Member Announcements and Direction on Future Agenda Items

Alternate Director Eulo reported the Morgan Hill City Council is considering a natural gas ban on all new connections, and noted Morgan Hill is looking at an ordinance requiring retrofit of existing homes for electrifying space heating and water heating effective 2030.

Director Ellenberg announced at the Santa Clara County Board of Supervisors meeting on September 10, 2019, Alternate Director Cortese brought a referral for the County’s administration to consider applying for the $10,000 grant to help the County consider moving toward adoption of reach codes in unincorporated Santa Clara County. Director Ellenberg questioned what the $10,000 incentive would cover; CEO Balachandran responded the money can be used for staff time. Director Ellenberg suggested SVCE offer SVCE’s staff time or services in lieu of the $10,000, and requested SVCE staff meet with the County’s Office of Supportive Housing regarding how the County may incorporate reach codes in buildings of Measure A projects.

Director Gibbons noted the $10,000 given by SVCE related to reach codes assists the cities in staff time related to the implementation of the codes, and commented her thought the operating costs for renters in a time controlled all-electric building can be substantively reduced based on SVCE’s time-of-use rates.

Director Corrigan announced SVCE staff would be presenting to the Town of Los Altos Hills Council at their September 19, 2019 council meeting. Director Corrigan requested staff provide a media packet for Director Corrigan to provide to fellow Los Altos Hills council members as part of the reach code conversation.

Director Sinks commented on the Reach Code Initiative slide of the Decarb and Grid Innovation Programs Update of the CEO report, reported the City of Cupertino’s staff provided feedback that SVCE’s Account Services Manager John Supp has done an outstanding job with outreach meetings in Cupertino, and announced he would like Account Services Manager Supp to attend the Cupertino City Council meetings on November 19, 2019 and December 17, 2019. Director Sinks challenged the other Directors to secure dates for their respective agencies.

Director Smith announced the new Sunnyvale City Hall will be all-electric.

Director Sayoc announced the Town of Los Gatos would be discussing reach codes on November 5, 2019 and requested Account Services Manager Supp be present. Director Sayoc announced the Peninsula Division of the League of Cities is sponsoring a candidate forum on September 25, 2019 at 11:30 a.m. in Menlo Park for the seat which Jerry Hill is currently occupying, and all of the candidates...
running would be present; Director Sayoc encouraged Directors to attend and noted she would send information on the event.

Director Ellahie announced Account Services Manager Supp would be presenting in Monte Sereno, and also on October 2, 2019 at 7:30 a.m. at the Los Gatos Morning Rotary Club at the Los Gatos Rotary Lodge.

Chair Abe-Koga announced Tuesday, October 22, 2019, the Mountain View City Council would be addressing the ordinance amending Chapters 8, 14, and 24 of the City Code, and noted an environmental sustainability council subcommittee would be meeting September 16, 2019 to review the item and bring to Council.

Public Comment on Closed Session
No speakers.

At 8:40 p.m., Chair Abe-Koga announced the Board would take a five-minute recess prior to convening to closed session, then return to vote on Item 1f) Approve Amendment No. 2 to Employment Agreement for Chief Executive Officer.

Directors Ellenberg and Tovar left the meeting at 8:40 p.m.

The Board convened to closed session in the Community Hall Kitchen at 8:45 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 from closed session at 9:18 p.m. with Directors Ellenberg and Tovar absent.

Report from Closed Session

Chair Abe-Koga announced the Board would address Item 1f) Approve Amendment No. 2 to Employment Agreement for Chief Executive Officer from the consent calendar.

General Counsel Greg Stepanicich reported the financial terms of the contract amendment for the CEO contract and briefly outlined the four items:

1) Increased the CEO annual salary from $290,000 to $315,000 per year;
2) Make an additional contribution of $3,500 to the CEO’s 457 retirement plan, based consistently on the overall policy of the Board to provide a 10% contribution to retirement plans for employees;
3) Allows the CEO to take the same amount of unpaid leave as other employees subject to the approval of the Board Chair; and,
4) Increases Paid Time Off (PTO) from 280 to 320 hours per year.

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

MOTION: Vice Chair Miller moved and Director Bruins seconded the motion to approve Amendment No. 2 to Employment Agreement for Chief Executive Officer.

The motion carried unanimously with Directors Ellenberg and Tovar absent.
Director Gibbons offered a closing to the meeting with the hope we can move forward to a better world with the value and sentiment felt September 12, 2001 where race, gender, political persuasions, and religion did not matter; we were all one country.

**Adjourn**

Chair Abe-Koga adjourned the meeting at 9:22 p.m.
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 August 31, 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
October 2, 2019
## SILICON VALLEY CLEAN ENERGY AUTHORITY
### STATEMENT OF NET POSITION
#### As of August 31, 2019

### ASSETS

<table>
<thead>
<tr>
<th>Current assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$107,670,335</td>
</tr>
<tr>
<td>Accounts receivable, net of allowance</td>
<td>26,867,171</td>
</tr>
<tr>
<td>Accrued revenue</td>
<td>20,927,710</td>
</tr>
<tr>
<td>Other receivables</td>
<td>324,146</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>2,544,351</td>
</tr>
<tr>
<td>Deposits</td>
<td>2,258,220</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>5,000,000</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>165,591,933</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>152,257</td>
</tr>
<tr>
<td>Deposits</td>
<td>129,060</td>
</tr>
<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>281,317</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>165,873,250</strong></td>
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</table>

### LIABILITIES

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>478,035</td>
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<tr>
<td>Accrued cost of electricity</td>
<td>32,937,904</td>
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<tr>
<td>Accrued payroll and benefits</td>
<td>262,885</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>500,895</td>
</tr>
<tr>
<td>User taxes and energy surcharges due to other governments</td>
<td>1,072,087</td>
</tr>
<tr>
<td>Supplier security deposits</td>
<td>28,320</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>35,280,126</strong></td>
</tr>
</tbody>
</table>

### NET POSITION

| Investment in capital assets                        | 152,257        |
| Restricted for security collateral                  | 5,000,000      |
| Unrestricted                                        | 125,440,867    |
| **Total net position**                              | **$130,593,124** |

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See accountants' compilation report.
## OPERATING REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales, net</td>
<td>$257,905,697</td>
</tr>
<tr>
<td>GreenPrime electricity premium</td>
<td>900,245</td>
</tr>
<tr>
<td>Other income</td>
<td>22,906</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>258,828,848</strong></td>
</tr>
</tbody>
</table>

## OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of electricity</td>
<td>197,255,643</td>
</tr>
<tr>
<td>Staff compensation and benefits</td>
<td>3,072,856</td>
</tr>
<tr>
<td>Data management</td>
<td>3,141,688</td>
</tr>
<tr>
<td>Service fees - PG&amp;E</td>
<td>1,055,612</td>
</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>1,325,289</td>
</tr>
<tr>
<td>Legal</td>
<td>374,375</td>
</tr>
<tr>
<td>Communications and noticing</td>
<td>403,775</td>
</tr>
<tr>
<td>General and administration</td>
<td>930,548</td>
</tr>
<tr>
<td>Depreciation</td>
<td>46,221</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>207,606,007</strong></td>
</tr>
</tbody>
</table>

**Operating income (loss)**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$51,222,841</td>
</tr>
</tbody>
</table>

## NONOPERATING REVENUES (EXPENSES)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>1,069,974</td>
</tr>
<tr>
<td>Financing costs</td>
<td>(134,411)</td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td><strong>935,563</strong></td>
</tr>
</tbody>
</table>

## CHANGE IN NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position at beginning of period</td>
<td>78,434,720</td>
</tr>
<tr>
<td><strong>Net position at end of period</strong></td>
<td><strong>$130,593,124</strong></td>
</tr>
</tbody>
</table>
SILICON VALLEY CLEAN ENERGY AUTHORITY

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

CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales</td>
<td>$ 251,655,280</td>
</tr>
<tr>
<td>Wholesale sales</td>
<td>579,940</td>
</tr>
<tr>
<td>Receipts from other income</td>
<td>93,781</td>
</tr>
<tr>
<td>Supplier security deposits</td>
<td>28,320</td>
</tr>
<tr>
<td>Tax and surcharge receipts from customers</td>
<td>4,830,272</td>
</tr>
<tr>
<td>Energy settlements received</td>
<td>5,800,842</td>
</tr>
<tr>
<td>Deposits and collateral received</td>
<td>13,558,737</td>
</tr>
<tr>
<td>Costs to purchase electricity</td>
<td>(206,031,565)</td>
</tr>
<tr>
<td>Staff compensation and benefits</td>
<td>(3,077,677)</td>
</tr>
<tr>
<td>Data manager fees</td>
<td>(3,150,665)</td>
</tr>
<tr>
<td>PG&amp;E service fees</td>
<td>(1,054,700)</td>
</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>(1,297,729)</td>
</tr>
<tr>
<td>Legal fees</td>
<td>(395,653)</td>
</tr>
<tr>
<td>Communications and noticing</td>
<td>(427,008)</td>
</tr>
<tr>
<td>General and administration</td>
<td>(1,076,091)</td>
</tr>
<tr>
<td>Deposits and collateral</td>
<td>(1,760,687)</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>(4,830,281)</td>
</tr>
</tbody>
</table>

Net cash provided (used) by operating activities

52,860,116

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Finance costs paid

(208,936)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets

(14,159)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received

1,069,974

Net change in cash and cash equivalents

53,706,995

Cash and cash equivalents at beginning of year

58,963,340

Cash and cash equivalents at end of period

$ 112,670,335

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)

$ 107,670,335

Restricted cash

5,000,000

Cash and cash equivalents

$ 112,670,335

See accountants' compilation report.
## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss) $51,222,841

<table>
<thead>
<tr>
<th>Adjustment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense</td>
<td>46,221</td>
</tr>
<tr>
<td>Revenue reduced for uncollectible accounts</td>
<td>1,300,534</td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>(4,506,557)</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
<td>(237,885)</td>
</tr>
<tr>
<td>(Increase) decrease in accrued revenue</td>
<td>(3,996,349)</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>(1,345,980)</td>
</tr>
<tr>
<td>(Increase) decrease in current deposits</td>
<td>11,798,050</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>(242,503)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued payroll and related</td>
<td>71,596</td>
</tr>
<tr>
<td>Increase (decrease) in energy settlements payable</td>
<td>236,658</td>
</tr>
<tr>
<td>Increase (decrease) in accrued cost of electricity</td>
<td>(1,482,427)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued liabilities</td>
<td>500,895</td>
</tr>
<tr>
<td>Increase (decrease) taxes and surcharges due to other governments</td>
<td>51,702</td>
</tr>
<tr>
<td>Increase (decrease) in supplier security deposits</td>
<td>(556,680)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td><strong>$52,860,116</strong></td>
</tr>
</tbody>
</table>
# TREASURER REPORT

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

Issue Date: October 9, 2019

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<td>15</td>
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</tbody>
</table>
### SILICON VALLEY CLEAN ENERGY AUTHORITY

#### Financial Statement Highlights ($ in 000’s)

**Financial Highlights for the month of August 2019:**

Note: PG&E raised customer generation rates and the Power Cost Indifference Charge (PCIC) on July 1, 2019. In response, SVCE adjusted rates to balance the building of cash reserves while maintaining a higher value alternative for our ratepayers. Effective August 1, 2019, SVCE adjusted rates resulting in a 4% discount to PG&E.

- SVCE operations resulted in a positive change in net position for the month of $12.3 million and year-to-date change in net position of $52.1 million.
  - August revenue of $341 million accounted for 373 GWh in net retail consumption.
  - Year-to-date operating margin is $61.6 million and $20.9 million above budget.
  - SVCE is above the minimum cash reserve target and is financially stable.
- Retail GWh sales for the month were 28 GWh above budget.
  - Year-to-date retail load is 33 GWh’s or 1% above budget.
  - August weather included cooling degree days well above the 15-year average.
- Power Supply costs are 7% below budget year-to-date.
  - Power supply costs for the month were slightly below budget as market prices have stabilized compared to the amended budget assumptions.
  - Joint Long-Term FPA RFO was issued in May from SVCE and MECO. A short-list of suppliers was selected. Negotiations will begin in September.
  - Favorable adjustments for December through March power supply costs were recognized based on updated settlements from CAISO.
- Decarbonization and Grid Innovations
  - 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.
- Investing/Financing
  - SVCE currently has a $35 million line of credit with a two-year renewal approved at the September Board meeting.
  - SVCE is investing ~90% of available funds with a year-to-date return of $1.1 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>
<th>Amended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>8,092</td>
<td>953</td>
<td>1,947</td>
<td>4,819</td>
<td>(323)</td>
<td>4,026</td>
<td>4,650</td>
<td>7,917</td>
<td>8,186</td>
<td>9,449</td>
<td>12,259</td>
<td>-</td>
<td>52,155</td>
<td>29,584</td>
</tr>
</tbody>
</table>

### Power Supply Costs

<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>
<th>Amended Budget</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>12,060</td>
<td>12,019</td>
<td>14,064</td>
<td>16,003</td>
<td>16,653</td>
<td>16,784</td>
<td>161,505</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capacity</td>
<td>955</td>
<td>912</td>
<td>1,082</td>
<td>1,554</td>
<td>1,596</td>
<td>1,306</td>
<td>1,484</td>
<td>1,484</td>
<td>2,033</td>
<td>2,738</td>
<td>2,559</td>
<td>17,691</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAISO Charges</td>
<td>798</td>
<td>1,043</td>
<td>438</td>
<td>1,765</td>
<td>917</td>
<td>(904)</td>
<td>(1,025)</td>
<td>260</td>
<td>654</td>
<td>59</td>
<td>10</td>
<td>564</td>
<td>4,792</td>
<td></td>
</tr>
<tr>
<td>NEM Expense</td>
<td>74</td>
<td>(62)</td>
<td>(242)</td>
<td>(287)</td>
<td>(146)</td>
<td>(81)</td>
<td>(154)</td>
<td>260</td>
<td>324</td>
<td>565</td>
<td>375</td>
<td>627</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charge/Credit (IST/Net Rev)</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>2,045</td>
<td>309</td>
<td>764</td>
<td>12,501</td>
<td></td>
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</tr>
</tbody>
</table>

Net Power Costs: 17,161 16,892 17,551 23,323 16,968 13,019 12,769 17,063 21,079 20,295 21,147 - 197,255 234,330

### Other

<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>
<th>Amended Budget</th>
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</thead>
<tbody>
<tr>
<td>Capital Expenditures</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>6</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>7</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>200</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>74</td>
<td>36</td>
<td>30</td>
<td>-</td>
<td>330</td>
<td>5,540</td>
</tr>
</tbody>
</table>

### Load Statistics - GWh

<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>
<th>Amended Budget</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>306</td>
<td>347</td>
<td>359</td>
<td>373</td>
<td>-</td>
<td>3,632</td>
<td></td>
</tr>
<tr>
<td>Retail Sales Budget</td>
<td>323</td>
<td>318</td>
<td>354</td>
<td>336</td>
<td>332</td>
<td>302</td>
<td>306</td>
<td>310</td>
<td>328</td>
<td>353</td>
<td>345</td>
<td>337</td>
<td>3,936</td>
<td></td>
</tr>
</tbody>
</table>

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August 2019 Treasurer Report
Other Statistics and Ratios

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital</td>
<td>$130,311,807</td>
</tr>
<tr>
<td>Current Ratio</td>
<td>4.7</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>24%</td>
</tr>
<tr>
<td>Expense Coverage Days</td>
<td>154</td>
</tr>
<tr>
<td>Expense Coverage Days with LOC</td>
<td>199</td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>$0</td>
</tr>
<tr>
<td>Total Accounts</td>
<td>271,149</td>
</tr>
<tr>
<td>Opt-Out Accounts (Month)</td>
<td>77</td>
</tr>
<tr>
<td>Opt-Up Accounts (Month)</td>
<td>32</td>
</tr>
</tbody>
</table>

Retail Sales - Month

- Actual: $34.3
- Budget: $29.9
- FY16/17: $28.4

Retail Sales - YTD

- Actual: $258.8
- Budget: $253.6
- FY16/17: $223.9

O&M - Month

- Actual: $22.2
- Budget: $25.1
- FY16/17: $19.7

O&M - YTD

- Actual: $207.6
- Budget: $230.1
- FY16/17: $177.0
SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION
As of August 31, 2019

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$ 107,670,335</td>
</tr>
<tr>
<td>Accounts Receivable, net of allowance</td>
<td>26,867,171</td>
</tr>
<tr>
<td>Accrued Revenue</td>
<td>20,927,710</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>324,146</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>2,544,351</td>
</tr>
<tr>
<td>Deposits</td>
<td>2,258,220</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>5,000,000</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>165,591,933</td>
</tr>
<tr>
<td><strong>Noncurrent assets</strong></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net of depreciation</td>
<td>152,257</td>
</tr>
<tr>
<td>Deposits</td>
<td>129,060</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>281,317</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>165,873,250</td>
</tr>
</tbody>
</table>

| LIABILITIES                   |                  |
| **Current Liabilities**       |                  |
| Accounts Payable              | 478,035          |
| Accrued Cost of Electricity   | 32,937,904       |
| Accrued Payroll & Benefits    | 262,885          |
| Other accrued liabilities     | 500,895          |
| User Taxes and Energy Surcharges due to other gov'ts | 1,072,087 |
| Supplier Security Deposits    | 28,320           |
| **Total Current Liabilities** | 35,280,126       |

| NET POSITION                  |                  |
| Net investment in capital assets | 152,257       |
| Restricted for security collateral | 5,000,000   |
| Unrestricted (deficit)         | 125,440,867     |
| **Total Net Position**        | **$ 130,593,124** |
SILICON VALLEY CLEAN ENERGY AUTHORITY

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

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Sales, Net</td>
<td>$257,905,697</td>
</tr>
<tr>
<td>GreenPrime electricity premium</td>
<td>900,245</td>
</tr>
<tr>
<td>Other Income</td>
<td>22,906</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td><strong>258,828,848</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Electricity</td>
<td>197,255,643</td>
</tr>
<tr>
<td>Staff Compensation and benefits</td>
<td>3,072,856</td>
</tr>
<tr>
<td>Data Management</td>
<td>3,141,688</td>
</tr>
<tr>
<td>Service Fees - PG&amp;E</td>
<td>1,055,612</td>
</tr>
<tr>
<td>Consultants and Other Professional Fees</td>
<td>1,325,289</td>
</tr>
<tr>
<td>Legal</td>
<td>374,375</td>
</tr>
<tr>
<td>Communications &amp; Noticing</td>
<td>403,775</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>930,548</td>
</tr>
<tr>
<td>Depreciation</td>
<td>46,221</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>207,606,007</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING INCOME(LOSS)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>51,222,841</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>1,069,974</td>
</tr>
<tr>
<td>Financing costs</td>
<td>(134,411)</td>
</tr>
<tr>
<td><strong>TOTAL NONOPERATING EXPENSES</strong></td>
<td><strong>935,563</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>Net Position at end of period</td>
<td><strong>$130,593,124</strong></td>
</tr>
</tbody>
</table>
## 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>$251,655,280</td>
</tr>
<tr>
<td>Receipts from wholesale sales</td>
<td>579,940</td>
</tr>
<tr>
<td>Receipts from other income</td>
<td>93,781</td>
</tr>
<tr>
<td>Supplier security deposits</td>
<td>28,320</td>
</tr>
<tr>
<td>Tax and surcharge receipts from customers</td>
<td>4,830,272</td>
</tr>
<tr>
<td>Energy settlements received</td>
<td>5,800,842</td>
</tr>
<tr>
<td>Deposits and collateral received</td>
<td>13,558,737</td>
</tr>
<tr>
<td>Payments to purchase electricity</td>
<td>(206,031,565)</td>
</tr>
<tr>
<td>Payments for staff compensation and benefits</td>
<td>(3,077,677)</td>
</tr>
<tr>
<td>Payments for data manager fees</td>
<td>(3,150,665)</td>
</tr>
<tr>
<td>Payments for PG&amp;E service fees</td>
<td>(1,054,700)</td>
</tr>
<tr>
<td>Payments for consultants and other professional services</td>
<td>(1,297,729)</td>
</tr>
<tr>
<td>Payments for legal fees</td>
<td>(395,653)</td>
</tr>
<tr>
<td>Payments for communications and noticing</td>
<td>(427,008)</td>
</tr>
<tr>
<td>Payments for general and administrative</td>
<td>(1,076,091)</td>
</tr>
<tr>
<td>Payments of deposits and collateral</td>
<td>(1,760,687)</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>(4,830,281)</td>
</tr>
</tbody>
</table>

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

52,860,116

## 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>(14,159)</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>1,069,974</td>
</tr>
</tbody>
</table>

Net change in cash and cash equivalents                     53,706,995
Cash and cash equivalents at beginning of year             58,963,340

**Cash and cash equivalents at end of period**

$112,670,335
SILICON VALLEY CLEAN ENERGY AUTHORITY

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

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (loss)</td>
<td>$ 51,222,841</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income to net cash provided (used) by operating activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>46,221</td>
</tr>
<tr>
<td>Revenue reduced for uncollectible accounts</td>
<td>1,300,534</td>
</tr>
<tr>
<td>(Increase) decrease in net accounts receivable</td>
<td>(4,506,557)</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
<td>(237,885)</td>
</tr>
<tr>
<td>(Increase) decrease in accrued revenue</td>
<td>(3,996,349)</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>(1,345,980)</td>
</tr>
<tr>
<td>(Increase) decrease in current deposits</td>
<td>11,798,050</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>(242,503)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued payroll &amp; benefits</td>
<td>71,596</td>
</tr>
<tr>
<td>Increase (decrease) in energy settlements payable</td>
<td>236,658</td>
</tr>
<tr>
<td>Increase (decrease) in accrued cost of electricity</td>
<td>(1,482,427)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued liabilities</td>
<td>500,895</td>
</tr>
<tr>
<td>Increase (decrease) in taxes and surcharges due to other governments</td>
<td>51,702</td>
</tr>
<tr>
<td>Increase (decrease) in supplier security deposits</td>
<td>(556,680)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td><strong>$ 52,860,116</strong></td>
</tr>
</tbody>
</table>
### REVENUES & OTHER SOURCES

<table>
<thead>
<tr>
<th>Source</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance $</th>
<th>%</th>
<th>FY 2018-19 Amended Budget</th>
<th>FY 2018-19 Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Sales</td>
<td>$257,905,697</td>
<td>$252,900,403</td>
<td>$5,005,294</td>
<td>2%</td>
<td>$281,890,000</td>
<td>$23,984,303</td>
</tr>
<tr>
<td>Green Prime Premium</td>
<td>900,245</td>
<td>586,744</td>
<td>313,501</td>
<td>53%</td>
<td>630,000</td>
<td>(270,245)</td>
</tr>
<tr>
<td>Other Income</td>
<td>22,906</td>
<td>87,500</td>
<td>(64,594)</td>
<td>-74%</td>
<td>100,000</td>
<td>77,094</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,069,974</td>
<td>775,964</td>
<td>294,010</td>
<td>38%</td>
<td>850,000</td>
<td>(219,974)</td>
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<tr>
<td><strong>TOTAL REVENUES &amp; OTHER SOURCES</strong></td>
<td><strong>259,898,822</strong></td>
<td><strong>254,350,612</strong></td>
<td><strong>5,548,210</strong></td>
<td>2%</td>
<td><strong>283,470,000</strong></td>
<td><strong>23,571,178</strong></td>
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### EXPENDITURES & OTHER USES

#### CURRENT EXPENDITURES

<table>
<thead>
<tr>
<th>Category</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance $</th>
<th>%</th>
<th>FY 2018-19 Amended Budget</th>
<th>FY 2018-19 Remaining</th>
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</thead>
<tbody>
<tr>
<td>Power Supply</td>
<td>197,255,643</td>
<td>212,897,213</td>
<td>(15,641,570)</td>
<td>-7%</td>
<td>234,330,000</td>
<td>37,074,357</td>
</tr>
<tr>
<td>Data Management</td>
<td>3,141,688</td>
<td>3,261,467</td>
<td>(119,779)</td>
<td>-4%</td>
<td>3,560,000</td>
<td>418,312</td>
</tr>
<tr>
<td>PG&amp;E Fees</td>
<td>1,055,612</td>
<td>1,031,012</td>
<td>24,600</td>
<td>2%</td>
<td>1,120,000</td>
<td>64,388</td>
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<tr>
<td>Salaries &amp; Benefits</td>
<td>3,072,856</td>
<td>3,261,467</td>
<td>(119,779)</td>
<td>-4%</td>
<td>3,560,000</td>
<td>418,312</td>
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<tr>
<td>Professional Services</td>
<td>1,371,429</td>
<td>2,065,824</td>
<td>(694,395)</td>
<td>-34%</td>
<td>2,290,000</td>
<td>918,571</td>
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<tr>
<td>Marketing &amp; Promotions</td>
<td>327,457</td>
<td>476,215</td>
<td>(148,758)</td>
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<td>515,000</td>
<td>1,988</td>
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<td>Notifications</td>
<td>76,318</td>
<td>141,928</td>
<td>(65,610)</td>
<td>-46%</td>
<td>160,000</td>
<td>83,682</td>
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<tr>
<td>Lease</td>
<td>298,486</td>
<td>302,008</td>
<td>(3,522)</td>
<td>-1%</td>
<td>330,000</td>
<td>31,514</td>
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<tr>
<td>General &amp; Administrative</td>
<td>630,736</td>
<td>758,096</td>
<td>(127,360)</td>
<td>-17%</td>
<td>836,000</td>
<td>205,264</td>
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<td><strong>TOTAL CURRENT EXPENDITURES</strong></td>
<td><strong>207,230,225</strong></td>
<td><strong>225,152,227</strong></td>
<td><strong>(17,922,002)</strong></td>
<td>-8%</td>
<td><strong>247,836,000</strong></td>
<td><strong>40,605,775</strong></td>
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#### OTHER USES

<table>
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<tr>
<th>Source</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance $</th>
<th>%</th>
<th>FY 2018-19 Amended Budget</th>
<th>FY 2018-19 Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Programs</td>
<td>329,561</td>
<td>4,940,060</td>
<td>(4,610,499)</td>
<td>-93%</td>
<td>5,640,000</td>
<td>5,310,439</td>
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<td>Office Equipment</td>
<td>19,919</td>
<td>177,778</td>
<td>(157,859)</td>
<td>-89%</td>
<td>200,000</td>
<td>180,081</td>
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<td>Financial Security Requirement</td>
<td>-</td>
<td>147,000</td>
<td>147,000</td>
<td>0%</td>
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<td>147,000</td>
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<tr>
<td>Refund of Bond</td>
<td>-</td>
<td>(100,000)</td>
<td>100,000</td>
<td>0%</td>
<td>(100,000)</td>
<td>(100,000)</td>
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<tr>
<td><strong>TOTAL OTHER USES</strong></td>
<td><strong>349,480</strong></td>
<td><strong>5,164,838</strong></td>
<td><strong>(4,815,358)</strong></td>
<td>-93%</td>
<td><strong>5,887,000</strong></td>
<td><strong>5,537,520</strong></td>
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</table>

#### DEBT SERVICE

<table>
<thead>
<tr>
<th>Category</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance $</th>
<th>%</th>
<th>FY 2018-19 Amended Budget</th>
<th>FY 2018-19 Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing</td>
<td>134,411</td>
<td>90,000</td>
<td>44,411</td>
<td>49%</td>
<td>90,000</td>
<td>(44,411)</td>
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<tr>
<td>Interest</td>
<td>-</td>
<td>105,000</td>
<td>(105,000)</td>
<td>-100%</td>
<td>120,000</td>
<td>120,000</td>
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<tr>
<td><strong>TOTAL DEBT SERVICE</strong></td>
<td><strong>134,411</strong></td>
<td><strong>195,000</strong></td>
<td><strong>(60,589)</strong></td>
<td>-31%</td>
<td><strong>210,000</strong></td>
<td><strong>75,589</strong></td>
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</table>

Total Expenditures, Other Uses & Debt Service

<table>
<thead>
<tr>
<th>Category</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance $</th>
<th>%</th>
<th>FY 2018-19 Amended Budget</th>
<th>FY 2018-19 Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>207,714,116</td>
<td>230,512,065</td>
<td>(22,797,949)</td>
<td>-10%</td>
<td>253,933,000</td>
<td>46,218,884</td>
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</table>

Net Increase(Decrease) in Available Fund Balance

<table>
<thead>
<tr>
<th>Category</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance $</th>
<th>%</th>
<th>FY 2018-19 Amended Budget</th>
<th>FY 2018-19 Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>$52,184,706</td>
<td>$23,838,547</td>
<td>$28,346,159</td>
<td>119%</td>
<td>$29,537,000</td>
<td></td>
<td></td>
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</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 $ 52,184,706

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

Subtract depreciation expense (46,221)
Add back capital asset acquisitions 19,919

Change in Net Position 52,158,404
### SILICON VALLEY CLEAN ENERGY AUTHORITY

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

**October 1, 2018 through August 31, 2019**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
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<td></td>
<td></td>
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</tr>
<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>$17,794,266</td>
<td>$18,251,186</td>
<td>$25,670,969</td>
<td>$30,086,479</td>
<td>$30,548,168</td>
<td>$34,170,329</td>
<td>$257,905,697</td>
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<td>Green electricity premium</td>
<td>76,005</td>
<td>66,459</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>119,028</td>
<td>113,476</td>
<td>900,245</td>
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<tr>
<td>Other income</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<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>$30,667,196</td>
<td>$34,283,805</td>
<td>-</td>
<td>258,805,942</td>
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<tr>
<td><strong>OPERATING EXPENSES</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of electricity</td>
<td>17,160,575</td>
<td>16,892,744</td>
<td>17,551,069</td>
<td>12,980,824</td>
<td>12,768,605</td>
<td>17,052,324</td>
<td>17,052,324</td>
<td>17,052,324</td>
<td>17,052,324</td>
<td>17,052,324</td>
<td>17,052,324</td>
<td>17,052,324</td>
<td></td>
</tr>
<tr>
<td>Staff compensation and benefits</td>
<td>236,907</td>
<td>256,926</td>
<td>264,613</td>
<td>269,608</td>
<td>250,743</td>
<td>246,782</td>
<td>246,782</td>
<td>246,782</td>
<td>246,782</td>
<td>246,782</td>
<td>246,782</td>
<td>246,782</td>
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</tr>
<tr>
<td>Data manager</td>
<td>301,479</td>
<td>300,856</td>
<td>301,200</td>
<td>301,385</td>
<td>301,626</td>
<td>302,227</td>
<td>302,227</td>
<td>302,227</td>
<td>302,227</td>
<td>302,227</td>
<td>302,227</td>
<td>302,227</td>
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</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>130,737</td>
<td>114,869</td>
<td>129,909</td>
<td>129,909</td>
<td>129,909</td>
<td>129,909</td>
<td>129,909</td>
<td>129,909</td>
<td>129,909</td>
<td>129,909</td>
<td>129,909</td>
<td>129,909</td>
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</tr>
<tr>
<td>General and administration</td>
<td>99,316</td>
<td>70,743</td>
<td>74,028</td>
<td>74,028</td>
<td>74,028</td>
<td>74,028</td>
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<td>74,028</td>
<td>74,028</td>
<td>74,028</td>
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</tr>
<tr>
<td>Depreciation</td>
<td>4,179</td>
<td>4,179</td>
<td>4,335</td>
<td>4,335</td>
<td>4,335</td>
<td>4,335</td>
<td>4,335</td>
<td>4,335</td>
<td>4,335</td>
<td>4,335</td>
<td>4,335</td>
<td>4,335</td>
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</tr>
<tr>
<td>Total operating expenses</td>
<td>$18,027,472</td>
<td>$17,734,317</td>
<td>$18,419,531</td>
<td>$18,887,802</td>
<td>$13,947,487</td>
<td>$13,781,660</td>
<td>$13,781,660</td>
<td>$13,781,660</td>
<td>$13,781,660</td>
<td>$13,781,660</td>
<td>$13,781,660</td>
<td>207,606,007</td>
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<tr>
<td><strong>OPERATING INCOME (LOSS)</strong></td>
<td>$8,061,841</td>
<td>$921,782</td>
<td>$1,943,576</td>
<td>$4,974,185</td>
<td>$619,663</td>
<td>$5,916,746</td>
<td>$5,404,724</td>
<td>$7,852,511</td>
<td>$8,073,268</td>
<td>$9,324,265</td>
<td>$12,132,070</td>
<td>-</td>
<td>51,199,935</td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES)</strong></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and related expense</td>
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<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 nonoperating revenues (expenses)</td>
<td>$30,474</td>
<td>$30,758</td>
<td>$3,141</td>
<td>$128,308</td>
<td>$96,180</td>
<td>$108,802</td>
<td>$64,559</td>
<td>$112,955</td>
<td>$126,890</td>
<td>-</td>
<td>935,563</td>
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<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td>$8,092,315</td>
<td>$952,540</td>
<td>$1,946,717</td>
<td>$(4,818,877)</td>
<td>$(523,463)</td>
<td>$4,025,809</td>
<td>$4,649,525</td>
<td>$7,917,070</td>
<td>$8,186,223</td>
<td>$9,448,698</td>
<td>$12,258,960</td>
<td>-</td>
<td>52,135,498</td>
</tr>
</tbody>
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---

Item 1c

August 2019 Treasurer Report

10
# PERSONNEL REPORT FOR AUGUST 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>Associate Energy Consultant</td>
<td>2</td>
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<td>2</td>
</tr>
<tr>
<td>Communications Manager</td>
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<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Community Outreach Specialist</td>
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<tr>
<td>Communications Specialist</td>
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<td>0</td>
<td>1</td>
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<tr>
<td>Board Clerk/Executive Assistant</td>
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<tr>
<td>Chief Executive Officer</td>
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<td>0</td>
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<tr>
<td>Director of Finance and Administration</td>
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<tr>
<td>Administrative Services Manager</td>
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<td>1</td>
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<tr>
<td>Management Analyst</td>
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<tr>
<td>Administrative Analyst</td>
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<td>1</td>
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<tr>
<td>Administrative Assistant</td>
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<td>0</td>
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<tr>
<td>Director of Power Resources</td>
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<td>Power Resources Manager</td>
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<td>Power Resources Planner</td>
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<td>Power Settlements &amp; Compliance Analyst</td>
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<td>0</td>
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<tr>
<td>Manager of Regulatory and Legislative Affairs</td>
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<td>Senior Regulatory Analyst</td>
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<tr>
<td>Director of Decarboniation and Grid Innovation</td>
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<td>0</td>
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<tr>
<td>Data Analyst</td>
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<tr>
<td>Analyst</td>
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<td>0</td>
</tr>
<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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</table>
### SILICON VALLEY CLEAN ENERGY AUTHORITY

#### INVESTMENTS SUMMARY

**October 1, 2018 through August 31, 2019**

#### Return on Investments

<table>
<thead>
<tr>
<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>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>$108,802</td>
<td>$115,167</td>
<td>$122,271</td>
<td>$133,749</td>
<td>$136,205</td>
<td>$0</td>
<td>$1,069,974</td>
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#### Portfolio Invested

**Average daily portfolio available to invest**

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<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>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Total</th>
</tr>
</thead>
</table>

**Average daily portfolio invested**

<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>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>20,154,823</td>
<td>20,185,339</td>
<td>35,700,846</td>
<td>60,380,303</td>
<td>60,476,566</td>
<td>60,585,707</td>
<td>60,693,659</td>
<td>70,923,535</td>
<td>70,927,788</td>
<td>72,350,029</td>
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</table>

**% of average daily portfolio invested**

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<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>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</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>
<td>92.7%</td>
<td>86.5%</td>
<td>79.3%</td>
<td></td>
<td></td>
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</tbody>
</table>

#### Detail of Portfolio

<table>
<thead>
<tr>
<th>Money Market - River City Bank</th>
<th>Opening Rate</th>
<th>August Rate</th>
<th>Carrying Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.26%</td>
<td>1.76%</td>
<td>$91,055,396</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</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct</td>
<td>239.7</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>240.0</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>240.4</td>
<td></td>
</tr>
<tr>
<td>Jan</td>
<td>240.5</td>
<td></td>
</tr>
<tr>
<td>Feb</td>
<td>240.6</td>
<td></td>
</tr>
<tr>
<td>Mar</td>
<td>240.8</td>
<td></td>
</tr>
<tr>
<td>Apr</td>
<td>241.4</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>240.4</td>
<td></td>
</tr>
<tr>
<td>Jun</td>
<td>240.3</td>
<td></td>
</tr>
<tr>
<td>Jul</td>
<td>243.1</td>
<td></td>
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<tr>
<td>Aug</td>
<td>243.1</td>
<td></td>
</tr>
<tr>
<td>Sep</td>
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</tr>
</tbody>
</table>

NON-RESIDENTIAL ACCOUNTS

<table>
<thead>
<tr>
<th>Month</th>
<th>Actual</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct</td>
<td>27.8</td>
<td></td>
</tr>
<tr>
<td>Nov</td>
<td>27.8</td>
<td></td>
</tr>
<tr>
<td>Dec</td>
<td>27.8</td>
<td></td>
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<tr>
<td>Jan</td>
<td>27.8</td>
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<td>Feb</td>
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<td>Mar</td>
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<td>Apr</td>
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<td>May</td>
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<tr>
<td>Jun</td>
<td>27.8</td>
<td></td>
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<tr>
<td>Jul</td>
<td>28.0</td>
<td></td>
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<tr>
<td>Aug</td>
<td>28.0</td>
<td></td>
</tr>
<tr>
<td>Sep</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
WEATHER STATISTICS

COOLING DEGREE DAYS

- Actual
- 15 Year Average

HEATING DEGREE DAYS

- Actual
- 15 Year Average
## Silcon Valley Clean Energy Authority Accounts Receivable Aging Report

<table>
<thead>
<tr>
<th>Accounts Receivable</th>
<th>Total</th>
<th>0-30</th>
<th>31-60</th>
<th>61-90</th>
<th>90-120*</th>
<th>Over 120*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$30,876,720</td>
<td>$28,254,711</td>
<td>$871,449</td>
<td>$282,594</td>
<td>$190,265</td>
<td>$1,277,700</td>
</tr>
<tr>
<td>Period %</td>
<td>100%</td>
<td>91.5%</td>
<td>2.8%</td>
<td>0.9%</td>
<td>0.6%</td>
<td>4.1%</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 1d

Item 1d: Approve Scholarship Funds for 2020 Bike to the Future Competition

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Don Bray, Director of Account Services and Community Relations
Pamela Leonard, Communications Manager

Date: 10/9/2019

RECOMMENDATION
Approve the allocation of $18,000 from the marketing budget for a scholarship prize for the Bike to the Future high school e-bike competition. The scholarships will be awarded in $7,500, $5,000, and $3,500 increments for the 1st, 2nd and 3rd place prizes respectively, as well as implementing a $1,000 Team Spirit award and another $1,000 award for Best Sportsmanship.

BACKGROUND
In May 2018, SVCE held the first Bike to the Future challenge in which teams of high school students in Silicon Valley Clean Energy’s service area designed and built electric bikes (e-bikes). The competition engages high school students to not only learn about e-bikes, but also to challenge them in thinking about transportation electrification, clean energy and innovation. Following the success of the 2018 event, SVCE coordinated a second Bike to the Future event on April 27, 2019. The event successfully engaged 18 teams, totaling 82 students. By comparison, the first event had seven teams compete, so interest in the event increased quickly in just the first two years.

As the 2019 Bike to the Future event proved to be a success in spreading awareness of SVCE’s goals, current Climate Corps Fellow, Lauren Goldfarb, will coordinate the third annual Bike to the Future event for 2020. The event is tentatively scheduled for May 2, 2020 at the Santa Clara County Fairgrounds.

ANALYSIS & DISCUSSION
Through evaluating last year’s Bike to the Future scholarship allocation, the suggestion arose to include more awards as the number of competing teams increased substantially. The scholarship awards are an important aspect of Bike to the Future and an increase of the number of awards can benefit SVCE and Bike to the Future in the following ways:

- Reviewing last year’s scholarship amounts, the 1st, 2nd and 3rd place scholarship awards of $7,500, $5,000 and $3,500 was successful in incentivizing participation and acknowledging the time teams spent building the bikes. Adding the two bonus awards of $1,000 each for Best Team Spirit and Best Sportsmanship award will allow more teams to win awards as well as encourage high-energy participation on event day.
- The Team Spirit award will incentivize excitement and healthy competition between teams to be actively engaged in events throughout the day, improving morale and audience participation in the challenges.
- The Best Sportsmanship award will further encourage teams to follow rules carefully and closely throughout all stages of the Bike to the Future event; from planning and communication with the SVCE staff prior to the competition, to the friendliness between teams and SVCE staff on the day of the event.
• The event and scholarship awards provide for a great opportunity to communicate SVCE’s dedication to reinvesting in and benefiting the communities it serves.

**STRATEGIC PLAN**
This event aligns with customer and community goals in SVCE’s board-adopted Strategic Plan, specifically with Strategy 3.2 – Build awareness and trust through continuous interaction with the SVCE community.

**ALTERNATIVE**
Approve the 2020 scholarship amount of $18,000. If the scholarship funds are not approved as the prize for Bike to the Future, staff will explore other prize options.

**FISCAL IMPACT**
$18,000 from the Community Relations budget. Bike to the Future event costs were accounted for in the board-approved FY 19-20 operating budget.
Staff Report – Item 1e

Item 1e: Receive Q3 Update of the Decarbonization Strategy and Programs Roadmap

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Aimee Bailey, Director of Decarbonization and Grid Innovation Programs

Date: 10/9/2019

RECOMMENDATION
Staff recommends the Board accept the Q3 2019 Update of the Decarbonization Strategy & Programs Roadmap.

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 (abbrev. “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 July through September 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.

There were no revisions to the program briefs this quarter. All current versions of program briefs can be found as an attachment to the Q2 2019 Update in the August board packet.

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.

ALTERNATIVE
There is no alternative to this report.

FISCAL IMPACT
Accepting the Q3 2019 Update of the Decarbonization Strategy & Programs Roadmap has no fiscal impact.

ATTACHMENTS
1. Decarbonization Strategy & Programs Roadmap – Q3 2019 Update
Decarbonization Strategy & Programs Roadmap
Q3 2019 Update
October 9, 2019 BOD Meeting

Highlights:

- **CALeVIP**: The California Energy Commission (CEC) announced that SVCE’s two-county coalition with Peninsula Clean Energy, San Jose, Santa Clara, and Palo Alto was selected to receive $33 million as a part of the California Electric Vehicle Infrastructure Project (CALeVIP). The CEC will dedicate $6 million to SVCE territory to maximize the funding match offered by the SVCE Board, for a combined total of $12 million to support electric vehicle infrastructure (EVI). The CEC and coalition members are currently receiving public comment on the proposed program and intend to launch in May 2020.

- **Electric Vehicle Infrastructure Joint Action Plan**: SVCE completed the Electric Vehicle Infrastructure Joint Action Plan (EVI Plan), which was approved by the Board in September. The EVI Plan contains six program designs that will guide SVCE’s $8M investment in EV charging equipment over the coming four years, with $6 million of that investment expected to go towards CALeVIP. The EVI Plan development process included substantial input from member agency staff, industry leaders, local employers, regional interest groups and SVCE customers. The final EVI Plan includes detailed information on electric vehicle and infrastructure trends, needs, barriers and approaches, along with the six program designs that SVCE will launch in the coming years after completing the final launch planning for each. The programs prioritized for launch in Q4 2019 focus on regional coordination and fast charging incentives.

- **FutureFit Heat Pump Water Heaters**: SVCE launched a program in summer 2019 to provide 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. The initial program goal was to have 100 units installed by December 2020. As of the end of Q3, the program currently has 10 installed systems and 83 active reservations, leaving seven reservation spots open. SVCE staff are currently evaluating next steps for the program. This program is funded in part by a grant from the Bay Area Air Quality Management District.

- **All-Electric Showcase Awards**: To help encourage construction of new, all-electric buildings, SVCE launched the All-Electric Showcase Awards program in summer 2019 to recognize leaders in our community who have already transitioned to all-electric. SVCE received 19 applications, including 14 residential homes; one multi-family, affordable housing community; and, five office buildings. Four awardees were featured in a booklet to hand out at outreach events, and eight profiles are currently available online, with more to come as we continue to interview awardees and schedule photoshoots of their properties. View the profiles at: svcleanenergy.org/all-electric-award/
<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>PS1</td>
<td>C&amp;I Clean Power Offerings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BE1</td>
<td>Reach Codes</td>
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<tr>
<td>BE2</td>
<td>FutureFit HPWH</td>
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<td></td>
</tr>
<tr>
<td>BE3</td>
<td>All-Electric Showcase Grants</td>
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<td></td>
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<td></td>
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<tr>
<td>BE4</td>
<td>Workforce Development</td>
<td></td>
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<tr>
<td>MO1</td>
<td>EV Infrastructure Strategy and Plan</td>
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<tr>
<td>MO2</td>
<td>EVSE Incentives</td>
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<tr>
<td>GI1</td>
<td>Virtual Power Plant</td>
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<tr>
<td>EO1</td>
<td>Customer Resource Center</td>
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<tr>
<td>EO2</td>
<td>Community Engagement Grants</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>IN1</td>
<td>Innovation Partners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IN2</td>
<td>Innovation Onramp</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Legend:
- In development
- Quarter in focus

Figure: Timeline by program and quarter
Please note staff are working on incorporating additional budget charts that provide greater visibility into spending, which will be incorporated into the annual programs update and the quarterly program updates starting in 2020.
<table>
<thead>
<tr>
<th>Sector</th>
<th>Program</th>
<th>Q3 Activities</th>
<th>Q4 Outlook</th>
</tr>
</thead>
</table>
| Power Supply | PS1: C&I Clean Power Offerings | - Received results of 2018/2019 DA lotteries; anticipated load loss to SVCE of approximately 57GWh in 2021  
- Continued to define/refine alternative offers, including GreenPrime Direct (PPA Sleeve), and Electrification Co-investment Program  
- Letter of Intent formalized with prospective customer for GreenPrime Direct offer  
- Conducted meetings with four eligible C&I customers to further define needs, alternative products of interest  
- Develop selected customer-specific load analyses and cost models to assess economics of current and alternative customer offerings | - Define guidelines to implement Board-approved pricing policy  
- With key customers, continue to define/refine alternative offers, including GreenPrime Direct (PPA Sleeve), and Electrification Co-investment Program  
- Conduct meetings with additional eligible C&I customers to further define needs, alternative products of interest  
- Develop detailed cost models to assess economics of current and alternative customer offerings  
- Deliver annual reports to key C&I accounts, and outline of alternative offerings  
- Finalize pilot agreement(s) |
| Built Environment | BE1: Reach Codes | - Model code language released and reviewed with participating cities  
- Met individually with six cities, supported by our consultants  
- Received Letters of Intent from 12 member agencies to bring Reach Codes to council for a vote  
- Finalized organization of half-day educational workshop “Decarbonizing Silicon Valley with a Better Building Code” for elected officials from Santa Clara and San Mateo counties on Oct 3  
- Co-sponsoring a half-day educational workshop “Decarbonizing Silicon Valley with a Better Building Code” for elected officials from Santa Clara and San Mateo counties on Oct 3  
- Co-sponsoring two Bay Area Electrification Expo’s on Oct 10 in Palo Alto and Oct 12 in San Jose, to support education and awareness of all-electric buildings amongst the general public and industry stakeholders (builders, architects, etc.)  
- Support post-implementation tool/training development for city staff |
<table>
<thead>
<tr>
<th><strong>BE2: All-Electric Showcase Grants</strong> Provide incentives for all-electric buildings and share case studies about them and the professionals involved in their design</th>
</tr>
</thead>
</table>
| • Closed application window on August 2, 2019  
• Selected 19 awardees: 13 single-family homes, 5 offices and 1 affordable housing multi-family property  
• Interviewed awardees for follow-up information and held photoshoots as needed  
• Quickly created one-page flyers for two projects  
• Developed booklet identifying key technologies, highlighting customer narratives and quotes, and providing examples for a variety of project types  
• Created additional project profiles and compiled them on the SVCE website  
• Publish summary info across awardees  
• Continue to develop project profiles throughout Q4 and add them to the SVCE website  
• Begin program design for phase two |
<table>
<thead>
<tr>
<th><strong>BE3: FutureFit Heat Pump Water Heaters</strong> Provide incentives for electric heat pump water heaters and service panel upgrades to residents using natural gas currently</th>
</tr>
</thead>
</table>
| • 10 systems installed and operational  
• 83 active reservations (7 slots remaining)  
• SMUD managing customer inquiries and reservations  
• Worked with consultant ADM to completed evaluation, measurement and verification plan that will be carried out upon completion of the program  
• Monitor participation and adjust outreach efforts accordingly  
• Receive data from data partner on HPWH usage (kWh & time of day)  
• Evaluate next steps (e.g. expand SVCE program, join regional effort, etc.) |
<table>
<thead>
<tr>
<th><strong>BE4: Workforce Development</strong> Help build an industry-leading workforce that can accelerate decarbonization by advising on, installing, maintaining, and repairing low-carbon technologies</th>
</tr>
</thead>
</table>
| • Continued informational interviews and site visits with key stakeholders in the workforce development space, including organized labor, community workforce development centers, and educational institutions.  
• Mapped existing professional training resources in order to identify opportunities for additionality and complementarity.  
• Briefed the Executive Committee on interim findings at the August 23rd monthly meeting.  
• Refined program design goals to focus on the interface between workforce development and customer experience for SVCE customers attempting to install electric and low-carbon technologies.  
• Conclude background interviews  
• Develop shortlist of potential program structures  
• Convene stakeholder forum to discuss shortlisted program structures  
• Make final program structure selection and develop program implementation plan  
• Provide update to full Board on final program choices in late 2019 for implementation in early 2020 |
<table>
<thead>
<tr>
<th>MO1: EV Infrastructure Strategy &amp; Plan</th>
<th></th>
<th>MO2: EVSE Incentive Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a near- to mid-term strategy for EV infrastructure and a set of program implementation plans</td>
<td>SVCE notified of $6M CALeVIP block grant award to support rollout of new L2 and DCFC infrastructure in SVCE’s service area beginning spring of 2020</td>
<td>On track for priority program launch in Q4</td>
</tr>
<tr>
<td></td>
<td>Completed SVCE EV Infrastructure Joint Action Plan; reviewed with MAWG and SVCE BOD Executive Committee</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EVI Joint Action Plan and associated program recommendations approved by SVCE Board in September</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Work to further develop and launch identified priority programs: - Silicon Valley Transportation Electrification Clearinghouse - Regional Recognition Program - Priority Zone DC Fast Charging</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Work with CEC and their administrative consultant to finalize requirements, hold public meetings, and sign the formal agreement</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MO2: EVSE Incentive Program</th>
<th>Incentivize EV charging infrastructure development to support various use cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program design phase integrated into MO1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GI1: Virtual Power Plant</th>
<th>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</th>
</tr>
</thead>
<tbody>
<tr>
<td>Release updated discussion paper with Gridworks for final publication in August, with recommendation for SVCE action</td>
<td>Execute contracts with one or more consultants to carry out the DER/electrification assessment</td>
</tr>
<tr>
<td>Executed two task orders with existing consultants for analysis to support VPP program development, including: - SMUD: program design support - Ascend Analytics: valuation assessment</td>
<td>Complete valuation assessment, DER/electrification assessment and program design</td>
</tr>
<tr>
<td>Drafted and finalized a scope of work for a distributed energy resource and electrification assessment (approved in the Decarb Roadmap) - results will underpin SVCE’s VPP approach, in addition to guiding broader Decarb Roadmap implementation</td>
<td>Issue RFP for solution providers</td>
</tr>
<tr>
<td>Planned program launch spring 2020</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>EO1: Customer Resource Center</th>
<th>Develop customer resource center to enable engagement and awareness-building, education and action related to understanding energy usage, vehicle and building electrification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worked with program support resources from SMUD to assess CRC RFI responses</td>
<td>Receive RFP responses</td>
</tr>
<tr>
<td>Received informational vendor presentations from several RFI respondents, and from SMUD resources involved in developing their online customer resource capabilities</td>
<td>Evaluate proposals and select solution providers</td>
</tr>
<tr>
<td>Defined, developed, and published RFP for SVCE online Customer Resource Center (CRC) encompassing new SVCE website elements, and tools supporting electrification of mobility and built environment</td>
<td>Contract for support of development and implementation - creative agency for website elements - online resources and tools to support detailed customer education and action</td>
</tr>
<tr>
<td>Conducted webinar for bidders</td>
<td>Begin detailed design of CRC</td>
</tr>
</tbody>
</table>

Decarbonization Strategy & Programs Roadmap Q3 2019 Update
### EO2: Community Engagement
**Grants**
Partner with local organizations in under-reached customer segments to promote SVCE accomplishments and programs

- 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
- Outreach events ongoing
- Collect customer input via in-language surveys

### IN1: Innovation Partners
Engage with key strategic partners to participate in the local innovation ecosystem and provide a voice for SVCE customers and the decarb mission

- Developed an initial draft “innovation strategy” to supplement the Decarb Roadmap in guiding SVCE’s innovation activities
- Continued discussions with regional peers on a co-sponsored, SVCE innovation challenge event (aka hackathon)
- Contracted with Powerhouse to administer the SVCE hackathon, tentatively scheduled for Jan 31 - Feb 1
- Initiated sponsorship for Stanford’s mechanical engineering undergraduate capstone course ME170 to provide real-world projects and mentorship for 2019/2020 academic year
- Seek external stakeholder input on draft “innovation strategy”
- Work with Powerhouse to carry out preparations for the SVCE hackathon in early 2020
- Finalize sponsorship agreements with regional peers for the SVCE hackathon
- Support and mentor Stanford ME170 students for SVCE-sponsored projects

### IN2: Innovation Onramp
Provide small grants to support innovation through pilot projects with external partners

- Onboard third-party program administrator Center for Sustainable Energy (CSE)
- Instituted program and process improvements with CSE for subsequent application cycles
- Negotiated, finalized and executed partnership agreements and began launching pilots with first five selected awardees (aka “first cohort”)
- Launched second call for applications, with a focus on innovative mobility solutions
- Complete partnership agreements and launch pilots with first cohort
- Ongoing management of first cohort of pilots
- Evaluate responses to the second call for applications that closes Nov 1, 2019
- Select second cohort of pilots & begin negotiating, finalizing and executing partnership agreements
Staff Report – Item 1f

Item 1f: Receive Innovation Programs Update and Approve Cash Prizes for 2020 Hackathon

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Aimee Bailey, Director of Decarbonization and Grid Innovation Programs

Date: 10/9/2019

RECOMMENDATION
Staff recommends the Board approve the allocation of $16,000 from the Innovation Onramp/Innovation Partners budget for hackathon prizes for the inaugural SVCE-organized hackathon tentatively scheduled for January/February 2020.

BACKGROUND
In December 2018, the Board approved the Decarbonization Roadmap (Roadmap) and approximately $6M to begin implementation. The Roadmap budget includes $1.2M for the Innovation Onramp and Innovation Partners programs. The goal of SVCE’s innovation programs is to leverage our unique position to engage and support the innovation ecosystem in addressing key market barriers to achieving deep decarbonization in SVCE service territory and beyond. Innovation Partners focuses on forging key strategic partnerships to engage innovators and entrepreneurs through activities such as sponsoring existing innovation events (Stanford Cleantech Challenge, Powerhouse SunCode) and launching an SVCE-led innovation challenge in early 2020. Innovation Onramp provides grant funding to external partners to support innovative pilot projects. The objective is to play a deciding role in moving promising technologies, products, and policies through the process toward commercialization and scale. The program design features a periodic application deadline, standardized application process, transparent evaluation criteria, staged funding levels to support scaling from ideas to proofs of concepts to demonstrations, and standardized partnership agreements.

ANALYSIS & DISCUSSION

Update on Innovation Partners and the 2020 Hackathon
As described in the Innovation Partners program brief, staff is organizing an SVCE-led challenge event to engage a multi-disciplinary group of innovators and entrepreneurs across the Bay Area to develop novel solutions to reduce greenhouse gas emissions to achieve our climate goals (“hackathon”). The objectives of the event are to inspire the innovation ecosystem to tackle the climate crisis and to generate new and innovative ideas that can be further developed or deployed at pilot scale after the hackathon. SVCE contracted with Powerhouse, an Oakland-based venture fund and incubator for clean energy entrepreneurs, to administer the hackathon, which is tentatively scheduled for January/February 2020.

Staff is seeking board approval to allocate $16,000 from the Innovation Onramp/Innovation Partners budget for hackathon prizes. The anticipated break-down by prize has not been finalized but is expected to be:

- $7,000 – first place
- $4,000 – second place
- $3,000 – third place
- $2,000 – people’s choice
Both to recover some costs associated with hackathon administration/prizes and also to maximize the impact of the event, staff are soliciting sponsorships from other Bay Area CCAs and municipal utilities. Currently $10k in sponsorship funds have been secured from two Bay Area CCAs (East Bay Clean Energy and Peninsula Clean Energy). Staff estimate an additional $20-30k in sponsorship funds to be secure by the end of the year.

**Update on Innovation Onramp**

SVCE announced on September 17, 2019, a second call for applications for Innovation Onramp. The deadline for submissions is November 1, 2019. This application round focuses on innovative mobility solutions, although submissions on any topic will be considered. Through this application round, SVCE staff intend to identify a handful of transformative pilots that will augment and complement – not duplicate – the programs that were approved in the Electric Vehicle Infrastructure Plan, approved by the Board at the September 2019 meeting. Due to staff bandwidth limitations and as disclosed on the Innovation Onramp website, the number of pilot partnerships will be limited to up to five for the second application round.

**STRATEGIC PLAN**

The Innovation Onramp and Innovation Partners programs support SVCE’s Strategic Plan Goal 5, which 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. They support Strategy 5.3 to develop and conduct SVCE programs that promote decarbonization via grid innovation and fuel switching.

**FISCAL IMPACT**

The Board approved a budget of $600k per fiscal year for FY19 and FY20 for Innovation Onramp/Innovation Partners in December 2018 with Resolution No. 2018-20. The $16,000 in hackathon prizes were accounted for in the Board-approved budget. The $10,000 in secured sponsorship funds and any future additions will be added back to the Innovation Onramp/Innovation Partners budget.
Staff Report – Item 1g

**Item 1g:** Adopt Resolution Approving Addition of New SVCE Rate Schedules and Rates, to Correspond with New PG&E Commercial and Industrial “B” Rates

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Don Bray, Director of Account Services and Community Relations
Peyton Parks, Energy Consultant

Date: 10/9/2019

**RECOMMENDATION**
Adopt Resolution 2019-16 authorizing the CEO to approve new commercial and industrial B-class generation rate schedules and rates, to correspond with new PG&E commercial and industrial “B” rate schedules that will take effect November 1, 2019.

**BACKGROUND**
Currently, most Commercial and Industrial (C&I) customers in SVCE territory are subscribed to Time of Use (TOU) rates having a peak period between noon and 6pm on summer weekdays. As such, the TOU periods in these commercial rate classes are out of synch with the late afternoon/evening peak that now occurs on California’s grid. In order to better align retail TOU pricing with wholesale electricity prices, PG&E is introducing a new class of C&I rates effective November 1, 2019.

Historically, PG&E’s “A” rate codes have applied to small and medium commercial customers (A-1, A-6 and A-10) while “E” rates have applied to large commercial and industrial customers (E-19, E-20). Most C&I customers with A and E rate codes are on TOU rates that vary by time of day, day of the week, and summer versus winter seasons - for both energy rates and demand charges.

Currently all A and E rate schedules follow the same seasonal periods. Summer is May 1st – October 31st, and winter is November 1st – April 30th. Both rate classes also share the same TOU periods. In summer, the peak period is weekdays 12 p.m. to 6 p.m., and the off-peak period is weekdays 9:30 p.m. to 8:30 a.m. and all hours on weekends and holidays. In winter, all TOU periods remain the same, except the peak period is omitted due to lower total system demand. In these months, peak hours are absorbed into part-peak.
On November 1st, 2019, PG&E will be introducing a new “B” rate class, with rate schedules corresponding to each of the current A and E rate schedules that serve most commercial and industrial customers (B-1, B-6, B-10, B-19, and B-20). With the addition of new B rates for commercial and industrial customers, PG&E is moving the peak pricing time period to later in the day. B rates will also reduce the summer season from six months to four, including only June, July, August, and September months when the California climate is its hottest and demand for electricity is the highest. Peak prices will apply in both seasons, seven days a week. Weekends and holidays will not be considered off-peak hours.

As of the drafting of this staff report, PG&E’s exact pricing for the B-class rates are not known. PG&E is expected to share the final rates of this new class in an advice letter to the CPUC in mid- to late-October. At that time, Staff will apply SVCE’s currently approved discount of 4% to publish corresponding SVCE rates and update SVCE’s billing system.

**Timing of “B” Rate Roll-out to New and Existing C&I Customers**

“B” rates will become available for the first time on November 1st, 2019. Enrollment in B rates for new C&I accounts opened on or after this date will be mandatory, as legacy A and E-class rates will be closed to new enrollment. C&I customers with active accounts that are currently enrolled in A or E-class rates as of November 2019 will have the option to remain on their legacy rate until their November 2020 meter-read date, at which time the transition will be mandatory. Existing customers may choose to opt-in to B rates at any time after November 1st, 2019 and before their mandatory transition.

There are a few exceptions to the mandatory transition. As of November 2020, only customers with eligible meters capable of being read remotely will be automatically transitioned. Also, a grandfathering clause exists to exempt NEM C&I customers from mandatory transition for ten years from the date of their Permission to Operate their solar system.

**Marketing, Education, and Outreach (ME&O)**

PG&E has tentatively proposed a communication for delivery in late 2019 to those customers that would likely benefit (save money) with B rates prior to the mandatory transition. SVCE staff will communicate with top C&I customers in the territory to encourage them to consult PG&E’s rate comparison tool to determine which rate will perform best for their businesses.

Next year, under the ME&O requirements set forth by the CPUC, PG&E will communicate the mandatory November 2020 transition directly to customers at 60 days and 30 days prior to the transition. The 60-day communication will educate customers about the change to the TOU time periods. The 30-day communication will be a customer’s final notice of the switch before the transition occurs. The first bill that delivers with new B rates will contain on-bill messaging reinforcing the education about the new rates.
ANALYSIS & DISCUSSION  

SVCE B-class Rates  

Due to the requirement of new C&I accounts to start service with B rates as of November 1, 2019, it is necessary for SVCE staff to create corresponding generation rates so that SVCE can bill these accounts in a timely fashion. Not taking this action will result in customer accounts with pending charges that our billing partner (Calpine) will not be able to synchronize with billing determinants that they receive from PG&E. This will impact SVCE customer service - potentially resulting in opt-outs - and inhibit SVCE's ability to bill and collect for service.

The utility-wide transition of C&I customers to B rates in 2020 is meant to be revenue neutral for the utility and participating CCAs, as well as cost neutral to the overall customer base - though individual results may vary depending on energy use. A preliminary analysis of PG&E territory (performed by PG&E) reveals that 22% of affected customers will see greater than a 5% reduction in their annual bills. A majority of 77% of customers are considered “neutral,” meaning they will experience between a 4.9% savings and a 2% increase in their bills. 1-2% of eligible customers will be impacted negatively by the transition, meaning a greater than $100 increase annually for the least impacted, and a greater than $500 increase annually for the most impacted. PG&E will break out this data by CCA prior to the opt-in period for customers for more accurate regional accounting.

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<th>Impacted</th>
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<td>22%</td>
<td>Sees between a 4.9% decrease and a 2% increase in annual bills on the new time periods</td>
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*Image source: PG&E presentation on TOU transition*

Key Considerations  

SVCE will likely have a small number of newly enrolled C&I customers participating in B rates immediately upon their implementation on November 1, 2019. In order to collect from these customers, SVCE must be able to bill them for services on a rate schedule that corresponds to the PG&E B rate. Creation of these additional rates ensures that the customer will not experience a lapse in bill delivery and that SVCE does not lack the ability to collect from these customers.

The timing of the creation of these rates is sensitive. Typically, Calpine needs approximately two weeks to adequately test standard price changes in existing rates before translating them on to customer bills. In this situation Calpine may require additional testing because they are creating new time of use intervals. These rates will need to be calculated to include the SVCE standard 4% discount as soon as they are made known by PG&E so that they can be rigorously tested before the first customer charges are sent out.

Next Steps  

In late October 2019, calculate new B-class rate components applying SVCE’s currently approved discount of 4%

- SVCE generation rates will absorb current power charge indifference adjustment (PCIA) and franchise fee surcharge (FFS) per applicable rate components for energy and demand, and then apply a 4% discount to the remainder.

In early to mid-2020, perform financial modeling and rate analysis for A and E-class rates to their equivalent B-class rates for SVCE service territory and top 25 C&I customers
• Work with PG&E to inform benefiters of possibility to switch
• Understand fiscal impact of full customer transition in November 2020

Continue discussions with PG&E regarding development of co-branded ME&O communications
• Improve customer experience and confidence in the transition

STRATEGIC PLAN
Time of use pricing that is adjusted to TOU periods reflecting the congestion and costs of the grid is directly supported by 5.3.3 and 6.12.2 of the Strategic Plan:

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.

6.12.2: Manage market price, credit, load, and supplier volume risk to meet rate and financial objectives.

ALTERNATIVE
Within the Calpine billing system, it is necessary that there be a set of corresponding rates, with the appropriate SVCE discount applied, to any rates that PG&E offers within the service territory. This ensures that quantities and charges based on hourly intervals correspond to PG&E meter-reads. If B rates are not created, any customer enrolled under a B rate will be impossible to bill for service. This will result in a poor customer experience and will inhibit SVCE’s inability to collect revenues from the customer.

FISCAL IMPACT
At the time of drafting this staff report, PG&E’s exact B rates are not known for equivalent A or E-class rates. PG&E expects to furnish these completed rates to CCAs at the same time they are provided to the CPUC via a mid to late-October advice letter. As of this time, the tariffs have been filed with new language explaining the requirements and timing of transition for new and existing customers and without the intended rate components.

As outlined under “Next Steps,” staff plans to gain a better understanding of the overall fiscal impact (if any) of this transition in early to mid-2020. Over the next year, until the new B rates become mandatory, the relative fiscal impact is expected to remain nominal. Only new customers and those opting-in will be receiving energy under the B rate tariffs. In mid-2020, as part of the 2021 rate setting process, staff will model expected 2020-2021 fiscal year revenues based on customer class and usage to determine the marginal contribution to reserves.

ATTACHMENT
1. Resolution 2019-16, Approving Addition of New Commercial and Industrial B-Class Generation Rate Schedules and Rates
A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY APPROVING ADDITION OF NEW COMMERCIAL AND INDUSTRIAL B-CLASS GENERATION RATE SCHEDULES AND RATES

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

WHEREAS, historically, PG&E’s “A” and “E” rate classes have applied to commercial and industrial customers; and

WHEREAS, PG&E is introducing a new “B” rate class, with rate schedules corresponding to each of the current A and E rate schedules that serve most commercial and industrial accounts. All new commercial and industrial accounts starting service as of November 1, 2019 will be enrolled in these B rates, and legacy customers with A and E class rates will have the option to transition over to the B rates. Transition to B rates will become mandatory November 2020; and

WHEREAS, to accurately bill commercial and industrial customers enrolled in the B rate class and collect for service, SVCE must implement a rate schedule that corresponds to the PG&E B rate; and

WHEREAS, SVCE B-Class generation rates will absorb current power cost indifference adjustment (PCIA) and franchise fee surcharge (FFS) per applicable rate components for energy and demand, and then apply a 4% discount to the remainder; and

WHEREAS, as PG&E will not issue its final commercial and industrial B class generation rates until late October 2019, the Board of Directors desires to grant the Chief Executive Officer the authority to implement the Authority’s B-Class electric generation rate schedule and rates for its commercial and industrial customers when PG&E finalizes its commercial and industrial B-class rates.

NOW THEREFORE, the Board of Directors of the Silicon Valley Clean Energy Authority does hereby resolve, determine, and order as follows:

Section 1. Upon the release of PG&E’s final commercial and industrial B-Class generation rates, the Chief Executive Officer is hereby authorized to amend the Authority’s 2019 Electric Generation Rates Schedule to implement the Authority’s B-Class electric generation rates schedule.

Section 2. The Authority’s B-class electric generation rates, as implemented by the Chief Executive Officer pursuant to Section 1 above, shall become
effective the later of November 1, 2019, or the date that PG&E’s final B-class commercial and industrial generation rates become effective. The Authority’s new commercial and industrial B-class electric generation rates shall be set forth in an Amended 2019 Electric Generation Rates Schedule. The Chief Executive Officer shall provide a copy of the Amended 2019 Electric Generation Rates Schedule to the Board of Directors at its first meeting after the commercial and industrial B-class electric generation rates are implemented.

PASSED AND ADOPTED this 9th day of October 2019, by the following vote:

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<td>Director Smith</td>
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Chair

ATTEST:

Andrea Pizano, Board Secretary
Staff Report – Item 1h

Item 1h: Adopt Resolution Certifying Representatives on River City Bank Loans

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Donald Eckert, Director of Finance and Administration

Date: 10/9/2019

RECOMMENDATION
Staff recommends that the Board approve Resolution 2019-17 Certifying Representatives on River City Bank loans.

BACKGROUND
The Board of Directors approved the renewal of the $35 million Revolving Line of Credit (RLOC) with River City Bank (RCB) at the September 11, 2019 Board meeting. To complete the execution of the agreement, RCB requires Board of Directors approval of the Resolution certifying representatives on RCB loans.

STRATEGIC PLAN
The RLOC supports the financial and power supply goals of the strategic plan.

ALTERNATIVE
There is no alternative to this report as adoption of Resolution 2019-17 is required by River City Bank.

FISCAL IMPACT
There is no fiscal impact to the Agency with this report.

ATTACHMENTS
1. Resolution 2019-17 Certifying Representatives from SVCE on River City Bank Loans
2. Amended and Restated Credit Agreement with River City Bank
RESOLUTION No. 2019-17

RESOLUTION OF SILICON VALLEY CLEAN ENERGY AUTHORITY

In my capacity as Chair of Silicon Valley Clean Energy Authority (the “Authority”), I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE AUTHORITY’S EXISTENCE. The complete and correct name of the Authority is Silicon Valley Clean Energy Authority. The Authority is a public agency formed under the provisions of the Joint Exercise Powers Act of the State of California, Government Code section 6500 et seq. The Authority is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California.

The Authority is duly authorized to transact business, having obtained all necessary filings, governmental licenses and approvals in the State of California in which the Authority is doing business.

The Authority has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Authority maintains an office at 333 W. El Camino Real, Suite 290, Sunnyvale, CA 94087. Unless the Authority has designated otherwise in writing, the principal office is the office at which the Authority keeps its books and records. The Authority will notify Lender prior to any change in the location of the Authority’s state of organization or any change in the Authority’s name. The Authority shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Authority and the Authority’s business activities.

RESOLUTIONS ADOPTED. At a meeting of the Silicon Valley Clean Energy Authority’s Board of Directors (“Board”), duly called and held on the 9th day of October 2019, by a vote affixed hereto, the resolutions set forth in this Resolution were adopted.

AUTHORIZED REPRESENTATIVES. The following named individuals are the authorized representatives of the Authority with titles and genuine signatures provided below:

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<tr>
<th>NAMES</th>
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<tr>
<td>Margaret Abe-Koga</td>
<td>Chair of the Board</td>
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<tr>
<td>Girish Balachandran</td>
<td>Chief Executive Officer</td>
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ACTIONS AUTHORIZED. Any one (1) of the authorized representatives listed above may enter into any agreements of any nature with River City Bank (“Lender”), and those agreements will bind the Authority. The Board approves the Amended and Restated Credit Agreement dated as of October 22, 2019 (the “Credit Agreement”), by and between the Authority and Lender and the transactions contemplated thereby. Specifically, but without limitation, each of the authorized representatives is authorized, empowered, and directed to do the following for and on behalf of the Authority with respect to a loan or loans and any other financial accommodations from Lender, including the Credit Agreement:
**Borrow Money.** To borrow and authorize advances, letters of credit and other lending accommodations from time to time from Lender, on such terms as may be agreed upon between the Authority and Lender, such sum or sums of money as in its judgment should be borrowed, without limitation.

**Execute Notes.** To execute and deliver to Lender any loan agreement, promissory note or notes, letter of credit applications, requests, or other evidence of the Authority’s credit accommodations, in form and substance acceptable to Lender, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Authority’s indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

**Grant Security.** To pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Authority or in which the Authority now or hereafter may have an interest, including without limitation all of the Authority’s personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Authority to Lender at any time owing, however the same may be evidenced. Such property may be pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

**Execute Security Documents.** To execute and deliver to Lender any assignment agreements, pledge agreements, mortgages, deeds of trust, security agreements, financing statements and other documents which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

**Negotiate Items.** To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Authority or in which the Authority may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Authority’s account with Lender, or to cause such other disposition of the proceeds derived therefrom as it may deem advisable.

**Further Acts.** In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as any Authorized Representative may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

**NOTICES TO LENDER.** The Authority will promptly notify Lender in writing at Lender’s address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Authority’s name; (B) change in the Authority’s assumed business name(s); (C) change in the management or in the members of the Authority; (D) change in the authorized signer(s); (E) change in the Authority’s principal office address; (F) change in the Authority’s state of organization; (G) conversion of the Authority to a new or different type of business entity;
or (H) change in any other aspect of the Authority that directly or indirectly relates to any agreements between the Authority and Lender. No change in the Authority’s name or state of organization will take effect until after Lender has received notice.

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The authorized representatives named above are duly elected, appointed, or employed by or for the Authority, as the case may be, and each occupies the position set opposite his or her name. This Resolution now stands of record on the books of the Authority, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender’s address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Authority’s agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signatures set opposite the names listed above are their genuine signatures.

I have read all the provisions of this Resolution, and I personally and on behalf of the Authority certify that all statements and representations made in this Resolution are true and correct. This Resolution is dated on this 9th day of October 2019.

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: ____________________________
Margaret Abe-Koga
Chair, Silicon Valley Clean Energy Authority
AMENDED AND RESTATED

CREDIT AGREEMENT

Dated as of October 22, 2019

by and between

SILICON VALLEY CLEAN ENERGY AUTHORITY,
as Borrower

and

RIVER CITY BANK,
as Lender

Loan No. 5084548931
AMENDED AND RESTATED CREDIT AGREEMENT

This AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement") is entered into as of October 22, 2019, by and between SILICON VALLEY CLEAN ENERGY AUTHORITY, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. seq. ("Borrower"), and RIVER CITY BANK, a California corporation ("Lender").

WITNESSETH:

WHEREAS, Borrower has requested, and Lender has agreed to make available to Borrower, a credit facility which includes a revolving line of credit upon and subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATION.

Section 1.1. Definitions. All capitalized terms used in this Agreement and not otherwise defined have the meanings ascribed to them on Exhibit A.

Section 1.2. Other Interpretive Provisions.

(a) Defined Terms. Unless otherwise specified herein or therein, all terms defined in this Agreement will have the same defined meanings when used in any certificate or other document made or delivered pursuant hereto. The meaning of defined terms is equally applicable to the singular and plural forms of the defined terms.

(b) References. The words “hereof”, “herein”, “hereunder” and words of similar import when used in this Agreement will refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, section, schedule and exhibit references are to this Agreement unless otherwise specified.

(c) Certain Common Terms. The term “documents” includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced. The term “including” is not limiting and means “including without limitation.”

(d) Performance; Time. Whenever any performance obligation hereunder is stated to be due or required to be satisfied on a day other than a Business Day, such performance may be made or satisfied on the next succeeding Business Day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including.” If any provision of this Agreement refers to any action taken or to be taken by any
Person, or which such Person is prohibited from taking, such provision will be interpreted to encompass any and all means, direct or indirect, of taking, or not taking, such action.

(e) **Contracts.** Unless otherwise expressly provided herein, references to agreements and other contractual instruments, including this Agreement and the other Loan Documents, will be deemed to include all subsequent amendments thereto, restatements thereof and other modifications and supplements thereto which are in effect from time to time, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document.

(f) **Laws.** References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation.

(g) **Dollars and $.** All references to “dollars” or “$” refer to United States dollars.

Section 1.3. Accounting Principles.

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein will be construed, and all financial computations required under this Agreement will be made, in accordance with GAAP, consistently applied.

(b) References herein to “fiscal year”, “fiscal quarter” and “fiscal month” refer to such fiscal periods of Borrower.

(c) If any change in GAAP results in a change in the calculation of the financial covenants or interpretation of related provisions of this Agreement or any other Loan Document, then Borrower and Lender agree to amend such provisions of this Agreement so as to equitably reflect such changes in GAAP with the desired result that the criteria for evaluating Borrower’s financial condition will be the same after such change in GAAP as if such change had not been made.

**SECTION 2. THE REVOLVING LINE OF CREDIT.**

Section 2.1. Revolving Credit. Subject to the terms and conditions hereof, Lender agrees to make a revolving credit facility (the “Revolving Credit”) available to Borrower for the sole purpose of providing (a) short-term working capital (“Working Capital Advance”) and (b) to support the issuances of Letters of Credit (each a “Letter of Credit Advance” and, collectively the “Letter of Credit Advances”) in accordance with Section 4, such Revolving Credit to be in an aggregate principal amount not to exceed, at any one time, the Revolving Credit Commitment at any time prior to the Revolving Credit Termination Date. The Revolving Credit will be disbursed in one or more advances (each, an “Advance” and, collectively, the “Advances”), provided that the conditions precedent to Advances specified in Section 8 are satisfied. Subject to the Revolving Credit Commitment and the other terms and conditions of this Agreement, Borrower may periodically request Advances; provided, however, that Lender will have no obligation to make Advances on or after the Revolving Credit Termination Date.
Section 2.2. Advances. Advances under this Agreement may be requested in writing by Borrower or any Authorized Representative appointed by Borrower. Borrower agrees that Lender may rely upon any written notice given by any person Lender in good faith believes is an Authorized Representative without the necessity of independent investigation.

Section 2.3. Promissory Note. The Revolving Credit will be evidenced by a Revolving Credit Promissory Note (the “Promissory Note”) made, executed and delivered by Borrower and payable to the order of Lender in the form (with appropriate insertions) attached hereto as Exhibit B. For each Letter of Credit requested by Borrower and issued in accordance with Section 4, Borrower will execute and deliver to Lender a promissory note in the form (with appropriate insertions) attached hereto as Exhibit C (a “Letter of Credit Note”) in the stated principal amount equal to the face amount of such Letter of Credit. Each Letter of Credit Note will be deemed an Advance in the full stated principal amount thereof for purposes of determining the Revolving Credit Commitment. However, each Letter of Credit Note will evidence Borrower’s obligation to repay the lesser of the stated principal amount thereof or the unreimbursed amount (the “Unreimbursed Amount”) of any drawing actually paid by Lender to a beneficiary under a Letter of Credit, in accordance with Section 4.3. All references to “Advances” in Sections 2.4 and 4 shall, with respect to a Letter of Credit Advance, refer solely to the outstanding Unreimbursed Amount(s) evidenced by the corresponding Letter of Credit Note.

Section 2.4. Repayment. All Advances (including all outstanding principal and accrued but unpaid interest) under the Revolving Credit shall be due and payable in full on the Revolving Credit Termination Date. Until the Revolving Credit Termination Date, Borrower shall repay the Advances with interest as provided herein and in the applicable Promissory Note. This is a revolving credit and any Advances repaid may be re-borrowed prior to the Revolving Credit Termination Date.

SECTION 3. INTEREST, LATE FEES, PREPAYMENTS AND APPLICATIONS.

Section 3.1. Interest Payments.

(a) Advances. The outstanding principal balance of Advances will bear interest (which Borrower hereby promises to pay at the rates and at the times set forth therein) prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after maturity (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full. The determination of the Applicable Rate by Lender shall be conclusive and binding on Borrower in the absence of demonstrable error.

(b) Interest Payment Dates. Borrower will pay regular monthly payments of all accrued but unpaid interest on the Advances as of each Payment Date beginning with the first Payment Date immediately following the initial Advance with all subsequent interest payments due and payable on each Payment Date thereafter. Interest on the Advances will be payable monthly in arrears on each Payment Date. Interest on any installment of principal will be due on a Payment Date; provided however, that any principal amount that is not paid when due (whether
by lapse of time, acceleration or otherwise) will be due and payable on demand. Borrower will make all payments at the address specified in Section 3.4.

(c) **Late Fees.** If Borrower fails to make any payment of principal or interest under any Note or any other sum payable hereunder or under any other Loan Document within five (5) calendar days after its due date, Lender will be entitled at its option to impose a late charge in an amount equal to six percent (6.00%) of the amount of such past due payment, which charge, if imposed by Lender, shall be due and payable by Borrower immediately upon receipt of written notice thereof.

**Section 3.2. Computation of Interest; Minimum and Maximum Interest Rates.** All interest on the Advances will be calculated on the basis of a year of 360 days for the actual number of days elapsed. In no event shall the applicable interest rate exceed the maximum rate allowed by law (including Government Code Section 53854).

**Section 3.3. Prepayments.**

(a) **Voluntary Prepayment.** Borrower may voluntarily prepay Advances, in whole or in part, at any time without any penalty or fee. In connection with such prepayment, Borrower may prepay the principal amount of the Note, in whole or in part, together with interest accrued on the principal amount prepaid, at its option and without premium, prior to the Maturity Date or the Revolving Credit Termination Date, as the case may be.

(b) **Mandatory Prepayment.** Borrower will, upon demand, prepay Advances at any time and to the extent that the outstanding principal amount of all Advances exceeds the Revolving Credit Commitment.

(c) **Application of Prepayments.** All prepayments shall be applied in accordance with Section 3.4.

**Section 3.4. Place and Application of Payments and Collections.** All payments of principal, interest, fees and all other Obligations payable hereunder will be made to Lender at the following address no later than 2:00 p.m. (Pacific Standard Time) on the date any such payment is due and payable:

River City Bank
Loan Center
2485 Natomas Park Drive, Suite 400
Sacramento, CA 95833

So long as any Event of Default has occurred and is continuing, Borrower agrees that Lender, in its sole and absolute discretion, may apply any payments or collections received by Lender from Borrower in respect of the Revolving Credit to any of the Obligations in any manner or order as Lender desires. Lender’s receipt and application of payments or collections shall not constitute a waiver or cure of any Default.
Section 3.5. Notations. All Advances made and evidenced by a Note and the rates of interest applicable thereto will be recorded by Lender on its books and records or, at its option in any instance, endorsed on a schedule to such Note, and the unpaid principal balance and interest rates so recorded or endorsed by Lender will be *prima facie* evidence in any court or other proceeding brought to enforce such Note of the principal amount remaining unpaid, the status of the Advances evidenced by such Note and the applicable interest rates; provided, however, that the failure of Lender to record any of the foregoing will not limit or otherwise affect the obligation of Borrower to repay the principal amount of such Note together with accrued interest thereon. Prior to any negotiation of a Note, Lender will record on a schedule thereto the status of all amounts evidenced by such Note and the rates of interest applicable thereto.

SECTION 4. LETTERS OF CREDIT.

Section 4.1. Letter of Credit Commitment.

(a) Subject to the terms and conditions of this Agreement, Lender agrees, in reliance upon the agreements of Borrower, (1) to issue Letters of Credit in Dollars for the account of Borrower, and (2) to honor drawings under the Letters of Credit; provided that after giving effect to any Letter of Credit Advance, the aggregate principal amount of all Advances shall not exceed the Revolving Credit Commitment. Each request by Borrower for the issuance of a Letter of Credit shall be deemed to be a representation by Borrower that the Letter of Credit Advance so requested complies with the conditions set forth in the proviso to the preceding sentence and the other terms and conditions of this Agreement.

(b) Lender shall have no obligation to issue any Letter of Credit if:

(i) The expiry date of the requested Letter of Credit would occur more than twelve months after the date of issuance;

(ii) The initial expiry date of the requested Letter of Credit would occur more than 11 months after the Revolving Credit Termination Date;

(iii) The expiry date of the requested Letter of Credit, after giving effect to any auto-renewal feature, would occur more than seven (7) years after the date of issuance; provided, however, that this condition shall not apply (1) if the Letter of Credit is secured by cash collateral, or (2) Lender’s Chief Executive Officer or Chief Credit Officer approves a waiver of this condition in writing;

(iv) The requested Letter of Credit requires Lender to provide a notice of non-renewal, if any, earlier than 120 days before the expiration of the Letter of Credit;

(v) The requested Letter of Credit contains terms and conditions required by the beneficiary that are deemed unacceptable to Lender;

(vi) Any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin Lender from issuing such Letter of Credit, or any law applicable to Lender or any request or directive (whether or not having the force of law) from
any Governmental Authority with jurisdiction over Lender shall prohibit, or request that Lender refrain from, the issuance of letters of credit generally, or such Letter of Credit in particular or shall impose upon Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which Lender is not otherwise compensated hereunder) not in effect on the date of this Agreement, or shall impose upon Lender any unreimbursed loss, cost or expense which was not applicable as of the date of this Agreement and which Lender in good faith deems material to it;

(vii) The issuance of such Letter of Credit would violate one or more policies of Lender generally applicable to the issuance of letters of credit;

(viii) The Letter of Credit is to be denominated in a currency other than Dollars;

(ix) The Letter of Credit provides for automatic reinstatement or renewal of the stated amount after any drawing thereunder; or

(x) The issuance of the Letter of Credit would cause the aggregate principal amount of all Advances to exceed the Revolving Credit Commitment at the time of issuance.

Section 4.2. Issuance of Letters of Credit.

(a) Each Letter of Credit shall be issued upon the request of Borrower delivered to Lender in the form of Lender’s standard Letter of Credit Application completed to the satisfaction of Lender and signed by an Authorized Representative of Borrower. Such Letter of Credit Application may be sent via electronic image or other electronic format, by US mail, overnight courier, or by any other means acceptable to Lender and must be received by Lender not later than five (5) Business Days (or such later date as Lender may agree in its sole discretion) before the proposed issuance date. Such Letter of Credit Application shall specify in form and detail satisfactory to Lender: (i) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (ii) the amount thereof; (iii) the expiry date thereof; (iv) the name and address of the beneficiary thereof; (v) the documents to be presented by such beneficiary in the case of any drawing thereunder; (vi) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (vii) the purpose and nature of the requested Letter of Credit, which shall be to pay for power purchases or to provide collateral security for power purchases; and (viii) such other matters as Lender may require. Additionally, Borrower will furnish to Lender such other documents and information pertaining to such requested Letter of Credit issuance as Lender may request.

(b) Subject to the terms and conditions hereof, Lender shall, upon its delivery of any Letter of Credit to the beneficiary thereof, Lender will also deliver to Borrower a true and complete copy of such Letter of Credit.

Section 4.3. Drawings and Reimbursements of Letters of Credit. Upon the presentment of any notice of drawing under any Letter of Credit by the beneficiary thereof which Lender determines to be in compliance with the conditions for payment thereunder, Lender will notify
Borrower of the intended date of honor of such drawing. Not later than 5:00 p.m. (Pacific Standard Time) on the date (the “Reimbursement Date”) that is three (3) Business Days after any payment by Lender under a Letter of Credit (each such date, an “Honor Date”), Borrower shall reimburse Lender by making payment to Lender in an amount equal to the amount of such payment. Borrower’s failure to so reimburse Lender on or before the Reimbursement Date shall constitute an Event of Default under this Agreement.

Section 4.4. Unexpired Letters of Credit. Borrower agrees that, if (i) any Letter of Credit has been issued by Lender or its correspondent and remains unexpired on the Revolving Credit Termination Date or (ii) the amount of all Letter of Credit Advances exceeds the Revolving Credit Commitment, Borrower shall immediately provide cash collateral to Lender with a value of not less than 110% of (i) the aggregate principal amount of all Letter of Credit Advances with respect to unexpired Letters of Credit or (ii) the amount by which the amount of all Letter of Credit Advances exceeds the Revolving Credit Commitment, as applicable.

Section 4.5. Obligations Absolute.

(a) The obligation of Borrower to reimburse Lender for each drawing under each Letter of Credit shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

(i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit;

(iv) any waiver by Lender of any requirement that exists for Lender’s protection and not the protection of Borrower or any waiver by Lender that does not in fact materially prejudice Borrower;

(v) any honor of a demand for payment presented electronically, even if such Letter of Credit requires that demand be in the form of a draft;

(vi) any payment made by Lender in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the UCC,
the International Standby Practices ("ISP") or the Uniform Customs and Practice for Documentary Credits ("UCP"), as applicable;

(vii) any payment by Lender under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or any payment made by Lender under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or

(viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or discharge of, any party to the Loan Documents.

(b) Borrower shall promptly examine a copy of each Letter of Credit that is delivered to it, and, in the event of any claim of noncompliance with Borrower’s instructions or other irregularity, Borrower will immediately notify Lender of such claim in writing. Borrower shall be conclusively deemed to have waived any such claim it would have against Lender and its correspondents unless such notice is given.

Section 4.6. Role of Lender as L/C Issuer. Borrower agrees that, in paying any drawing under a Letter of Credit, Lender or its correspondent shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering such document. None of Lender, any of its Related Parties nor any correspondent, participant or assignee of Lender shall be liable to Borrower for (i) any action taken or omitted in connection herewith at the request of Borrower; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit. Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude Borrower from pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. Neither Lender, nor any correspondent, participant or assignee of Lender shall be liable or responsible for any of the matters described in Section 4.2; provided, however, that anything in such clauses to the contrary notwithstanding, Borrower may have a claim against the Lender to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by Borrower which Borrower proves were caused by Lender’s willful misconduct or gross negligence or Lender’s willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) complying with the terms and conditions of such Letter of Credit. In furtherance and not in limitation of the foregoing, Lender may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and Lender shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial
Telecommunications ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

Section 4.7. Applicability of ISP, Limitation of Liability. Unless otherwise expressly agreed by Lender and Borrower when a Letter of Credit is issued, the rules of the ISP shall apply to each Letter of Credit. Notwithstanding the foregoing, Lender shall not be responsible to Borrower for, and Lender’s rights and remedies against Borrower shall not be impaired by, any action or inaction of Lender required or permitted under any law, order or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the law of any jurisdiction where Lender or the beneficiary is located, the practice stated in the ISP or UCP, as applicable, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade – International Finance Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

Section 4.8. Letter of Credit Fees. Borrower shall pay to Lender (i) fees upon the issuance of each Letter of Credit in an amount equal to the greater of two percent (2.00%) per annum of the face amount thereof over the anticipated expiration period the ("Issuance Fee") or Four Hundred and 00/100 Dollars ($400.00) (the "Flat Fee"), (ii) a documentation fee in connection with the issuance of each Standby Letter of Credit in an amount equal to Two Hundred Fifty and 00/100 Dollars ($250.00), and (iii) fees upon the occurrence of any other activity with respect to any Standby Letter of Credit (including without limitation, the transfer, amendment or cancellation of any Standby Letter of Credit) in an amount equal to the greater of the Issuance Fee or the Flat Fee. Borrower shall pay to Lender market prices as reasonably determined by Lender for Standby Letters of Credit issued by Lender’s correspondent banks. All Letter of Credit Fees, other than the Issuance Fee will be due and payable in full upon request by Lender.

Section 4.9. Billing and Payment of the Issuance Fee. The Issuance Fee will be calculated by Lender and due and payable upon issuance. Lender will calculate the Issuance Fee by taking the outstanding face amount of the Letter of Credit, multiplying by .02, and dividing by 360 to arrive at a daily per diem. The daily per diem will be multiplied by the number of days in the anticipated expiration period to arrive at the Issuance Fee. The Issuance Fee may be subject to change based on increases, decreases, or early termination of the Letter of Credit.

SECTION 5. FEES.

Section 5.1. Borrower shall pay to Lender fees for this Agreement as follows:

(a) Loan Fee. An annual Loan Fee in an amount equal to .25% of the Revolving Credit Commitment ($87,500.00) payable upon each of (i) execution of this Agreement and (ii) on or before October 21, 2020.

(b) Legal Fees. Lender’s legal fees incurred in connection with this Agreement.
(c) **Non-Utilization Fee.** Borrower agrees to pay to Lender an annual non-utilization fee in an amount equal to 0.15% of the Average Daily Unused Amount of the Revolving Credit Commitment. “Average Daily Unused Amount” means the sum of each calendar day’s Availability during the applicable period, divided by the number of calendar days within the period. “Availability” means the difference between the maximum principal amount of the Revolving Credit Commitment and the actual outstand principal balance of the Revolving Credit at the close of business each day. The non-utilization fee for the annual periods from (a) October 22, 2018 to October 21, 2019, (b) October 22, 2019 to October 21, 2020, and (c) October 22, 2020 to October 21, 2021, shall be due and payable by no later than (a) November 20, 2019, (b) November 20, 2020 and (c) November 20, 2021, respectively. Notwithstanding the foregoing, upon the termination of the Revolving Credit Commitment (a) at the request of Borrower or (b) following the occurrence of any Event of Default, the non-utilization fee for the period from October 22 to the date of termination shall be due and payable immediately.

(d) **Other Costs and Fees.** Borrower shall be subject to and agrees to pay any and all other fees incurred by Lender associated with the origination and documentation of this Agreement.

**SECTION 6. COLLATERAL – REVOLVING CREDIT COMMITMENT.**

**Section 6.1. Debt Service Reserve Account.** As a condition to Lender’s obligation to make any Advances under the Revolving Credit Commitment, Borrower will open and establish a restricted deposit account, which may be interest bearing, with Lender (the “Debt Service Reserve Account”) with a balance of not less than $3,500,000.00 at any time. The Debt Service Reserve Account will be held in the name of Borrower and will serve as collateral for the Obligations. Borrower will pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of the Debt Service Reserve Account.

**Section 6.2. Assignment of Debt Service Reserve Account.** As security for the prompt payment and performance by Borrower of all Obligations, Borrower hereby unconditionally and irrevocably assigns, conveys, pledges, transfers, delivers, and confirms unto Lender, and hereby grants to Lender a continuing security interest in the Debt Service Reserve Account and all other deposit accounts Borrower has with Lender (the “Other RCB Accounts”) and (i) all replacements, substitutions or proceeds thereof, (ii) all instruments and documents now or hereafter evidencing the Debt Service Reserve Account and/or the Other RCB Accounts, (iii) all powers, options, rights, privileges and immunities pertaining to the Debt Service Reserve Account and/or the Other RCB Accounts, including the right to make withdrawals therefrom, and (iv) all interest, income, profits and proceeds of the foregoing. Borrower hereby acknowledges and agrees that Lender shall have exclusive control over the Debt Service Reserve Account, and Borrower shall have no right to withdraw funds from the Debt Service Reserve Account; provided, however, that Borrower may withdraw funds from the Debt Service Reserve Account from time to time if (1) the balance of the Debt Service Reserve Account will not be less than $3,500,000.00 after giving effect to such withdrawal, (2) no Default or Event of Default has occurred and is continuing, and (3) no Event of Default would occur as a result of such
If an Event of Default shall occur hereunder or under any of the Obligations, then Lender may, without notice or demand on Borrower, at its option: (A) withdraw any or all of the funds (including without limitation, interest) then remaining in the Debt Service Reserve Account and/or, subject to the limitation in Section 11.6, the Other RCB Accounts and apply the same, after deducting all costs and expenses of safekeeping, collection and delivery, and all reasonable attorneys’ fees, costs and expenses incurred by Lender in connection with the Event of Default, to any amounts due and unpaid under this Agreement, any Promissory Note or any other Obligations in such manner and order as Lender shall deem appropriate in its sole discretion, (B) exercise any and all rights and remedies of a secured party under any applicable Uniform Commercial Code, and/or (C) exercise any other remedies available at law or in equity. All rights and remedies of Lender hereunder and under that certain Assignment of Deposit Accounts in the form of Exhibit D attached entered into as of the date hereof between Borrower and Lender shall be cumulative.

Section 6.3. Transfers from Lockbox Account. All revenues from Borrower’s customers shall be deposited into the Lockbox Account. On the 10th day of each month, funds due to Borrower’s energy suppliers shall be wired out after a dual authentication process by Lender. All amounts then remaining in the Lockbox Account (other than reserve amounts determined in accordance with the agreements governing the Lockbox Account) shall be transferred to Borrower’s operating and/or savings account with Lender and shall be subject to the assignment and security interest described in Section 6.2, free and clear of any liens in favor of anyone other than Lender.

SECTION 7. REPRESENTATIONS AND WARRANTIES.

Borrower represents and warrants to Lender as follows:

Section 7.1. Organization and Qualification; Authority; Consents. Borrower (a) is a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) that is qualified to be a community choice aggregator pursuant to California Public Utilities Code Section 366.2 and (b) has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying unless the failure to be so licensed or qualified would not have a material adverse effect on its business, operations or assets. Borrower has the agency power to enter into this Agreement and the other Loan Documents to which it is a party, to request the Advances and incur the Obligations provided for herein, to execute Promissory Notes in evidence thereof, to pledge and encumber assets as security therefor, and to perform each and all of the promises herein and therein. This Agreement and the other Loan Documents to which Borrower is a party do not, nor does the performance or observance by Borrower of any of the matters or things herein or therein provided for, contravene any provision of law or the Joint Powers Agreement or any covenant, indenture or agreement of or affecting Borrower or any of its Properties, including any Power Purchase Agreements. The execution, delivery, performance and observance by Borrower of this Agreement and the other Loan Documents do not and, at the time of delivery hereof, will not
require any consent or approval of any other Person, other than such consents and approvals that have been given or obtained.

Section 7.2. Legal Effect. This Agreement and the other Loan Documents to which Borrower is a party constitute legal, valid and binding agreements of Borrower, enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and the application of equitable remedies if equitable remedies are sought.

Section 7.3. Subsidiaries. Borrower has no Subsidiaries.

Section 7.4. Use of Proceeds. Borrower will use the proceeds of the Advances as provided herein and solely for purposes consistent with the purpose of Borrower as set forth in the Joint Powers Agreement, including for purposes consistent with the community choice aggregation program established by Borrower pursuant to California Public Utilities Code Section 366.2.

Section 7.5. Financial Reports. Effective with the delivery to Lender of the financial statements required by Section 9.2, the statements of financial condition of Borrower as at the date of such statements delivered to Lender, and the related statements of income, retained earnings and cash flows of Borrower for the fiscal year then ended and accompanying notes thereto, which financial statements are to be reviewed by an independent public accountant, and the unaudited interim statements of financial condition of Borrower as at the date of such statements delivered to Lender and the related statements of income and cash flows of Borrower for the period then ended, fairly present the financial condition of Borrower as at said dates and the results of its operations and cash flows for the periods then ended in conformity with GAAP applied on a consistent basis, subject (in the case of unaudited statements) year-end audit adjustments. Borrower has no contingent liabilities which are material to it other than, with respect to any financial statements delivered to Lender, as indicated on said financial statements.

Section 7.6. Full Disclosure. The statements and other information furnished to Lender in connection with the negotiation of this Agreement and the other Loan Documents and the commitment by Lender to provide the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading; provided that Lender acknowledges that, as to any projections furnished to Lender, Borrower only represents that the same were prepared on the basis of information and estimates Borrower believed to be reasonable at the time such information was prepared.

Section 7.7. Litigation. There is no litigation or governmental proceeding pending, nor to the knowledge of Borrower threatened in writing, against Borrower which if adversely determined would result in any material adverse change in the financial condition, Properties, business or operations of Borrower.

Section 7.8. Good Title. Borrower has good and defensible title to its Properties as reflected on the most recent balance sheet of Borrower furnished to Lender, subject to no Liens other than Permitted Liens or as otherwise limited by applicable law.
Section 7.9. Members. Borrower is not a party to any contract or agreement with any of its members on terms and conditions which are less favorable to Borrower than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

Section 7.10. Compliance with Laws. Borrower is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its Properties or business operations (including, without limitation, laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower. Borrower has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could have a material adverse effect on the financial condition, Properties, business or operations of Borrower.

Section 7.11. Other Agreements. Borrower is not in default under the terms of any covenant, indenture or agreement of or affecting Borrower or any of its Properties, which default if uncured would have a material adverse effect on the financial condition, Properties, business or operations of Borrower.

Section 7.12. No Default. No Default or Event of Default has occurred or is continuing.

SECTION 8. CONDITIONS PRECEDENT.

The obligation of Lender to make any Advance is subject to the following conditions precedent:

Section 8.1. All Advances. As of the time of the making of each Advance (including the initial Advance unless otherwise specified):

(a) each of the representations and warranties set forth in Section 7 hereof and in the other Loan Documents shall be true and correct as of said time, except that the representations and warranties made under Section 7.5 (except for the initial Advance) shall be deemed to refer to the most recent financial statements furnished to Lender pursuant to Section 9.2 hereof; and

(b) Borrower shall be in full compliance with all of the material terms and conditions of this Agreement, the Notes, the Assignment of Deposit Accounts and all other Loan Documents, and no Default or Event of Default shall have occurred or be continuing.

Section 8.2. Initial Advances under the Revolving Credit Commitment. At or prior to the making of the first Advance under the Revolving Credit Commitment, the following conditions precedent must also be satisfied:
(a) Lender shall have received properly completed and executed originals of the following in form and substance approved by Lender:

i. this Agreement;

ii. favorable written legal opinion from Borrower’s counsel;

iii. the Request for Advance in the form of Exhibit E;

iv. the resolutions adopted by the Board of Directors of Borrower with respect to this Agreement and the other Loan Documents, certified by an Authorized Representative;

v. an incumbency certificate containing the name, title and genuine signatures of each of Borrower’s Authorized Representatives;

vi. evidence of Borrower’s good standing in the state of California;

vii. payment by Borrower of the Loan Fee and all payments and expenses required to be paid by Borrower pursuant to Sections 5.1 and 11.4(a) of this Agreement; and

viii. copies (executed and certified, as may be appropriate) of the organizational documents of Borrower and all legal documents or proceedings (including minutes of board meetings) taken in connection with the execution and delivery of this Agreement to the extent Lender or its counsel may reasonably request.

(b) The Debt Service Reserve Account shall have been established and funded with Lender;

(c) The Advance is either a) a Working Capital Advance or b) a Letter of Credit Advance provided in Section 4; and

(d) Any legal matters incident to the execution and delivery of this Agreement and the other Loan Documents and to the transactions contemplated hereby and thereby shall be reasonably satisfactory to Lender and its counsel.

Section 8.3. Permitted Revolving Credit Advances. The following Advances are permitted under the Revolving Credit Commitment: Working Capital Advances, which shall be requested in substantially the form of Exhibit E, and Letter of Credit Advances, which shall be requested in accordance with Section 4.

SECTION 9. COVENANTS.

Borrower agrees that, so long as any credit is available to or in use by Borrower hereunder, except to the extent compliance in any case or cases is waived in writing by Lender:

Section 9.1. Maintenance of Business. Borrower shall preserve and maintain its existence. Borrower shall preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business and shall conduct its business affairs in a reasonable and prudent manner. Borrower shall maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel, and shall provide Lender with written notice of any change in executive and management personnel.
**Section 9.2. Financial Reports.** Borrower shall maintain a standard system of accounting in accordance with GAAP and shall furnish to Lender and its duly authorized representatives such information respecting the business and financial condition of Borrower as Lender may reasonably request; and without any request, shall furnish to Lender:

(a) as soon as available, and in any event within forty-five (45) days after the close of each calendar quarter, an unaudited balance sheet of Borrower as of the last day of the period then ended and the statements of income, retained earnings and cash flows of Borrower for the period then ended, prepared in accordance with GAAP and in a form acceptable to Lender;

(b) as soon as available, and in any event no later than one hundred twenty (120) days after each Fiscal Year End, a copy of the audited balance sheet of Borrower as of the last day of the Fiscal Year End and the statements of income, retained earnings and cash flows of Borrower for the period then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion thereon of Borrower’s independent public accountants, to the effect that the financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the financial condition of Borrower as of the close of such fiscal year and the results of its operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, such examination included such tests of the accounting records and such other review procedures as were considered necessary in the circumstances;

(c) promptly after receipt thereof, any additional written reports, management letters or other detailed information contained in writing concerning significant aspects of Borrower’s operations and financial affairs given to it by its independent public accountants;

(d) promptly after knowledge thereof shall have come to the attention of any responsible officer of Borrower, written notice of any litigation threatened in writing or any pending litigation or governmental proceeding or labor controversy against Borrower which, if adversely determined, would materially adversely affect the financial condition, Properties, business or operations of Borrower or result in the occurrence of any Default or Event of Default hereunder; and

(e) promptly after the request therefore, all such other information as Lender may reasonably request.

Each of the financial statements furnished to Lender pursuant to this Section 9.2 shall be accompanied by a written certificate signed by the chief financial officer of Borrower to the effect that to the best of such officer’s knowledge and belief no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by Borrower to remedy the same.

**Section 9.3. Maintenance of Debt Service Reserve Account.** Borrower shall ensure that the Debt Service Reserve Account remains pledged and assigned to Lender as collateral for the Obligations in accordance with Section 6.
Section 9.4. Exclusive Deposit Relationship with Auto Pay. Borrower shall maintain all of Borrower’s deposit accounts, including the Lockbox Account, exclusively with Lender and authorize all scheduled payments on the Revolving Credit to be automatically debited from a designated account with Lender. If this covenant is not satisfied, as determined by Lender, it shall not constitute an Event of Default, but the interest rate on all outstanding Notes will immediately increase by adding an additional 2.00 percentage point margin. This margin shall continue to apply to each succeeding interest rate change that may apply thereafter so long as this covenant is not satisfied.

Section 9.5. Total Liabilities to Tangible Unrestricted Net Position. Borrower shall maintain a maximum Total Liabilities to Tangible Adjusted Unrestricted Net Position not at any time greater than 2.00:1.00, measured quarterly as of the end of each calendar quarter. As used herein, “Total Liabilities to Tangible Adjusted Unrestricted Net Position” is defined as the total of current liabilities, non-current liabilities and contingent Liabilities, then divided by Tangible Adjusted Unrestricted Net Position. “Tangible Adjusted Unrestricted Net Position” is defined as total Adjusted Unrestricted Net Position less any intangible assets. “Adjusted Unrestricted Net Position” is defined as total net assets (i.e. total assets less total liabilities) less temporarily and permanently restricted net assets as presented in Borrower’s financial statements, plus the Debt Service Reserve Account. “Contingent Liabilities” is defined as a present obligation that arises from past events, but is not recognized because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (ii) the amount of the obligation cannot be measured with sufficient reliability. Contingent Liabilities will include the outstanding Letters of Credit issued and will exclude power purchase contingencies and the available Revolving Credit Commitment.

Section 9.6. Unrestricted Tangible Net Assets. Borrower to maintain minimum Unrestricted Tangible Net Assets not at any time less than One Hundred Million and 00/100 Dollars ($100,000,000), measured quarterly as of the end of each calendar quarter.

“Unrestricted Tangible Net Assets” is defined as total assets less temporarily and permanently restricted assets, less any intangible assets, less total liabilities.

Section 9.7. Positive Change in Net Assets. Borrower will show a minimum positive change in Unrestricted Tangible Net Assets of no less than One and 00/100 Dollars ($1.00), measured annually for the twelve month period beginning the first day after Fiscal Year End through the Fiscal Year End.

Section 9.8. Inspection. Borrower shall permit Lender and its duly authorized representatives and agents, at such times and intervals as Lender may designate, but in any event, no more than six (6) times during any twelve (12) month period so long as no Default or Event of Default has occurred and is continuing: (i) to visit and inspect any of the Properties, books and financial records of Borrower and to examine and make copies of the books of accounts and other financial records of Borrower, and (ii) to discuss the affairs, finances and accounts of Borrower with, and to be advised as to the same by, the executive officers of Borrower and other officers, employees and independent public accountants of Borrower (and by this provision Borrower each

{2719435.DOCX.3} Credit Agreement with River City Bank

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Section 9.9. Liens. Borrower shall not create, incur or permit to exist any Lien of any kind on any Property owned by Borrower or any Subsidiary; provided, however, that the foregoing shall not apply to nor operate to prevent:

(a) Liens arising by statute in connection with worker’s compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or other similar charges, good faith cash deposits in connection with tenders, contracts or leases to which Borrower is a party or other cash deposits required to be made in the ordinary course of business, provided in each case that the obligation is not Indebtedness for Borrowed Money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been established therefor;

(b) mechanics’, workmen’s, materialmen’s, landlords’, carriers’, or other similar Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(c) the pledge of assets for the purpose of securing an appeal, stay or discharge in the course of any legal proceeding, provided that the aggregate amount of liabilities of Borrower secured by a pledge of assets permitted under this subsection, including interest and penalties thereon, if any, shall not be in excess of $200,000 at any one time outstanding;

(d) the Liens pursuant to an approved Power Purchase Agreement; and

(e) the Liens established by the Loan Documents or otherwise in favor of Lender.

The Liens described in clauses (a) through (e) of this Section 9.9 are collectively referred to in this Agreement as the “Permitted Liens.”

Section 9.10. Investments, Acquisitions, Loans, Advances and Guaranties. Borrower shall not directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances (other than for travel advances and other similar cash advances made to employees in the ordinary course of business) to, any other Person, or acquire all or any substantial part of the assets or business of any other Person or division thereof, or be or become liable as endorser, guarantor, surety or otherwise for any debt, obligation or undertaking of any other Person, or otherwise agree to provide funds for payment of the obligations of another, or supply funds thereto or invest therein or otherwise assure a creditor of another against loss, or apply for or become liable to the issuer of a letter of credit which supports an obligation of another, or subordinate any claim or demand it may have to the claim or demand of any other Person.
**Section 9.11. Compliance with Laws.** Borrower shall comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to or pertaining to its Properties or business operations, non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower or could result in a Lien upon any of its Property.

**Section 9.12. Burdensome Contracts With Members.** Borrower shall not enter into any contract, agreement or business arrangement with any of its members on terms and conditions which are less favorable to Borrower than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

**Section 9.13. Notices of Claims and Litigation.** Borrower shall promptly inform Lender in writing of (a) all material adverse changes in Borrower’s financial condition and/or (b) all existing or written threats of litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower which could materially affect the financial condition of Borrower.

**Section 9.14. Other Agreements.** Borrower shall comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party, non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Borrower, and notify Lender immediately in writing of any default in connection with any other such agreements.

**Section 9.15. Performance.** Borrower shall timely perform and comply with all terms, conditions, and provisions set forth in this Agreement, the Notes and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender promptly in writing of any Default in connection with any Loan Document.

**Section 9.16. Compliance Certificates.** Borrower shall, unless waived in writing by Lender, provide Lender, at least annually, with a certificate executed by Borrower’s chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.

**Section 9.17. Fiscal Year.** Borrower shall not change its fiscal year without the prior written consent of Lender.

**Section 9.18. Indebtedness for Borrowed Money.** As of the date hereof, Borrower has no outstanding Indebtedness for Borrowed Money. Borrower shall not issue, incur, assume, create or have outstanding any Indebtedness for Borrowed Money; provided, however, that the foregoing shall not restrict nor operate to prevent the Obligations of Borrower owing to Lender hereunder.
SECTION 10. EVENTS OF DEFAULT AND REMEDIES.

Section 10.1. Events of Default. Any one or more of the following will constitute an “Event of Default” hereunder:

(a) any default in the payment when due (whether by lapse of time, acceleration or otherwise) of (i) any payment of principal or interest under a Note, or (ii) any other Obligation within five (5) days after payment or performance is due from Borrower; or

(b) any representation or warranty made by Borrower herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Advance made hereunder, is inaccurate or untrue in any material respect as of the date of the issuance or making thereof; or

(c) any event occurs or condition exists (other than those described in clauses (a) through (b) above) which is specified as an event of default under any of the other Loan Documents, or any of the Loan Documents for any reason ceases to be in full force and effect, or any of the Loan Documents is declared to be null and void, or Borrower takes any action for the purpose of repudiating or rescinding any Loan Document executed by it; or

(d) any judgment, order, writ of attachment, writ of execution, writ of possession or any similar legal process seeking an amount in excess of One Million Dollars ($1,000,000) is entering or filed against Borrower or any of Borrower’s Properties and remains unvacated, unbonded and unstayed for a period of ten (10) or more calendar days; or

(e) Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement in favor of any other creditor or Person that may materially affect any of Borrower’s Properties, Borrower’s ability to repay the Revolving Credit or Borrower’s ability to perform its Obligations under this Agreement or any of the other Loan Documents; or

(f) a material adverse change occurs in Borrower’s financial condition, or Lender believes, in its reasonable discretion, the prospect of payment or performance of Borrower’s obligations under this Agreement is materially impaired; or

(g) Borrower (i) takes any steps to effect a Winding-Up, (ii) fails to pay, or admits in writing its inability to pay, its debts generally as they become due;

(h) a custodian, receiver, administrative receiver, administrator, trustee, examiner, liquidator or similar official is appointed over Borrower or any substantial part of any of its Properties, or a Winding-Up proceeding is instituted against Borrower, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of thirty (30) or more days, or Borrower becomes unable to pay or admits in writing its inability to pay its debts as they become due; or
(i) Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any other Loan Document or in any other agreement between Lender and Borrower, which failure is capable of being cured, if such failure is not cured within thirty (30) days after written notice thereof from Lender; provided however, that if any such failure cannot reasonably be cured within such 30-day period, then the period to cure shall be deemed extended for up to an additional thirty (30) days after Lender’s initial default notice as long as Borrower diligently and continuously proceeds to cure such failure. Borrower agrees to reimburse Lender for all reasonable costs and expenses (including legal fees) incurred by Lender as a result of any failure described in this paragraph until cured.

Section 10.2. Non-Insolvency Default Remedies. Upon the occurrence of any Event of Default described in clauses (a) through (g) and (i) of Section 10.1, Lender or any permitted holder of any Note may, by notice to Borrower, take any of the following actions:

(a) terminate any obligation to extend any further credit hereunder (including but not limited to Advances) on the date (which may be the date thereof) stated in such notice;

(b) declare all Advances and all indebtedness under the Notes then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Borrower to Lender, to be immediately due and payable without further demand, presentment, protest or notice of any kind; and

(c) exercise and enforce any and all rights and remedies contained in any other Loan Document or otherwise available to Lender at law or in equity.

Section 10.3. Insolvency Default Remedies. Upon the occurrence of any Event of Default described in Section 10.1(h), all Advances and all indebtedness under the Notes then outstanding (including all outstanding principal and all accrued but unpaid interest), and all other Obligations of Borrower to Lender, will immediately become due and payable without presentment, demand, protest or notice of any kind, and Lender shall have no obligation to extend any further credit hereunder (including but not limited to Advances).

Section 11. MISCELLANEOUS.

Section 11.1. Holidays. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment will be extended to the next succeeding Business Day on which date such payment will be due and payable. In the case of any principal falling due on a day which is not a Business Day, interest on such principal amount will continue to accrue during such extension at the Applicable Rate, which accrued amount will be due and payable on the next scheduled date for the payment of interest.

Section 11.2. No Waiver, Cumulative Remedies. No delay or failure on the part of Lender or on the part of the holder of any Promissory Note in the exercise of any power or right will operate as a waiver thereof or as an acquiescence in any Default, nor will any single or partial exercise of any power or right preclude any other or further exercise thereof, or the exercise of any other power or right. All rights and remedies of Lender and the holder of any
Note are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have. Borrower agrees that in the event of any breach or threatened breach by Borrower of any covenant, obligation or other provision contained in this Agreement, Lender shall be entitled (in addition to any other remedy that may be available to Lender) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach. Borrower further agrees that neither Lender nor any other person or entity shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 11, and Borrower irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

Section 11.3. Amendments, Etc. No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document nor consent to any departure by Borrower therefrom, will in any event be effective unless the same is in writing and signed by Lender. No notice to or demand on Borrower in any case will entitle Borrower to any other or further notice or demand in similar or other circumstances.

Section 11.4. Costs and Expenses.

(a) Borrower shall pay all reasonable out-of-pocket expenses incurred by Lender, if any, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) including, without limitation, the fees specified in Section 5.1.

(b) Borrower agrees to pay on demand all reasonable costs and expenses (including attorneys’ fees and expert witness fees), if any, incurred by Lender or any other holder of the Obligations in connection with any Event of Default or the enforcement of this Agreement, any other Loan Document or any other instrument or document to be delivered hereunder, including without limitation any action, suit or proceeding brought against Lender by any Person which arises out of the transactions contemplated hereby or out of any action or inaction by Lender hereunder or thereunder.

Section 11.5. Indemnity. Whether or not the transactions contemplated hereby shall be consummated, Borrower shall indemnify, defend and hold harmless Lender and its officers, directors, employees, counsel, agents and attorneys-in-fact (each, an “Indemnified Person”) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, charges, expenses or disbursements (including attorneys’ costs and expert witnesses’ fees), of any kind or nature whatsoever, that (a) arise from or relate in any way to the execution, delivery, enforcement, performance and administration of this Agreement and any other Loan Document, or the transactions contemplated hereby and thereby, and with respect to any investigation, litigation or proceeding (including any Winding-Up or appellate proceeding) related to this Agreement or the Advances or the use of the proceeds thereof, whether or not any Indemnified Person is a party thereto, and/or (b) may be incurred by or asserted against such Indemnified Person in connection with or arising out of any pending or
threatened investigation, litigation or proceeding, or any action taken by any Person, arising out of or related to any Property of Borrower (all the foregoing, collectively, the “Indemnified Liabilities”); provided that Borrower shall have no obligation hereunder to any Indemnified Person with respect to Indemnified Liabilities to the extent arising from the gross negligence or willful misconduct of such Indemnified Person.

No action taken by legal counsel chosen by Lender in defending against any investigation, litigation or proceeding or requested remedial, removal or response action vitiates or in any way impairs Borrower’s obligation and duty hereunder to indemnify and hold harmless Lender unless such action involved gross negligence or willful misconduct. Neither Borrower nor any other Person is entitled to rely on any inspection, observation, or audit by Lender or its representatives or agents. Lender owes no duty of care to protect Borrower or any other Person against, or to inform Borrower or any other Person of, any adverse condition affecting any site or Property. Lender is not obligated to disclose to Borrower or any other Person any report or findings made as a result of, or in connection with, any inspection, observation or audit by Lender or its representatives or agents.

The obligations of Borrower in this Section 11.5 shall survive the payment and performance of all other Obligations. At the election of any Indemnified Person, Borrower shall defend such Indemnified Person using legal counsel satisfactory to such Indemnified Person in such Indemnified Person’s sole discretion, at the sole cost and expense of Borrower. All amounts owing under this Section 11.5 shall be paid within thirty (30) days after demand.

Section 11.6. Right of Set Off. To the extent permitted by applicable law, Lender reserves a right of setoff in all of Borrower’s Other RCB Accounts (whether checking, savings, or some other account) other than the Lockbox Account. This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums due and owing from Borrower against any and all such accounts.

Section 11.7. Survival of Representations. All representations and warranties made herein or in certificates given pursuant hereto will survive the execution and delivery of this Agreement and the other Loan Documents, and will continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 11.8. Notices. Except as otherwise specified herein, all notices hereunder will be in writing (including by hand, post, courier, email or telecopy) and will be given to the relevant party at its address, email address or telex number set forth below, or such other address or telex number as such party may hereafter specify by notice to the other given by certified or registered mail, by Federal Express or DHL, by telex or by other telecommunication device (including electronic mail) capable of creating a written record of such notice and its receipt. Notices hereunder will be addressed:
To Borrower at:

Silicon Valley Clean Energy Authority
girish@svcleanenergy.org
Attention: Chief Executive Officer

With a copy (not constituting notice) to:

Silicon Valley Clean Energy Authority
333 W. El Camino Real, Suite 290
Sunnyvale, CA 94087
Attention: Board Clerk/Executive Assistant

To Lender at:

River City Bank
2485 Natomas Park Drive, Suite 400
Sacramento, CA  95833
Telephone:  (916) 567-2700
Telecopy:    (916) 567-2780
Attention:      Jennifer Ballard
                Loan Center

Each such notice, request or other communication will be effective (i) if given by telecopier, when such telecopy or email is transmitted to the telecopier number or email address specified in this Section and a confirmation of such telecopy or email has been received by the sender, (ii) if given by mail, three (3) days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (iii) if given by any other means, when delivered at the addresses specified in this Section. provided that any notice given pursuant to Section 2.2 hereof will be effective only upon receipt.

For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower’s current address.

Section 11.9. Headings. Section headings used in this Agreement are for convenience of reference only and are not a part of this Agreement for any other purpose.

Section 11.10. Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 11.11. Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto on separate counterparts, and all such counterparts taken together will be deemed to constitute one and the same instrument.
Section 11.12. Assignments, Binding Nature, Governing Law, Etc. This Agreement will be binding upon Borrower and its permitted successors and assigns, and will inure to the benefit of Lender and the benefit of its permitted successors and assigns, including any permitted subsequent holder of a Note. This Agreement and the rights and duties of the parties hereto will be construed and determined in accordance with the internal laws of the State of California without regard to principles of conflicts of laws. This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby. Borrower may not assign its rights hereunder without the written consent of Lender. Lender may assign its rights hereunder without the consent of Borrower, but only if after any such assignment Lender acts as the lead agent or administrative agent with respect to this Agreement.

Section 11.13. Submission to Jurisdiction; Waiver of Jury Trial. Borrower hereby submits to the nonexclusive jurisdiction of the United States District Court for the Eastern District of California and of any California State court sitting in the County of Sacramento for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court has been brought in an inconvenient forum. Borrower hereby irrevocably waives any and all right to trial by jury in any legal proceeding arising out of or relating to any Loan Document or in the transactions contemplated thereby.

Section 11.14. Time is of the Essence. Time is of the essence in the performance and enforcement of this Agreement and the other Loan Documents.

Section 11.15. Consent to Loan Participation. Borrower agrees and consents to Lender’s sale or transfer, whether now or later, of one or more participation interests in the Revolving Credit to one or more purchasers, whether related or unrelated to Lender, provided that at all times Lender manages the Revolving Credit such that Borrower may communicate exclusively with Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to this Agreement, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interest in a Note and will have all the rights granted under the participation agreement or agreements governing the same of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower’s obligations under this Agreement irrespective of the failure or insolvency of any holder of any interest in a Note. Borrower further agrees that the purchaser of any such participation interests may enforce the interests irrespective of any personal claims or defenses that Borrower may have against Lender.
Section 11.16. No Recourse Against Constituent Members of Borrower. Borrower 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.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. Borrower shall be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement and the Notes. Lender shall not make any claims, take any actions or assert any remedies against any of Borrower’s constituent members in connection with any payment default by Borrower under this Agreement or any other Loan Document.

[remainder of page intentionally left blank]
Upon your acceptance hereof in the manner hereinafter set forth, this Agreement will constitute a contract between us for the uses and purposes hereinabove set forth. This Agreement supersedes and replaces that certain Credit Agreement between Borrower and Lender dated October 22, 2018.

Executed and delivered in Sacramento, California, as of the first date written above.

Silicon Valley Clean Energy Authority

By: ____________________________
    Girish Balachandran
    Its: Chief Executive Officer

By: ____________________________
    Margaret Abe-Koga
    Its: Chairperson of the Board

RIVER CITY BANK

By: ____________________________
    Name: ____________________________
    Its: ____________________________
EXHIBIT A

Definitions

“Advance” and “Advances” is defined in Section 2.1.

“Agreement” means this Amended and Restated Credit Agreement, as the same may be amended, modified or restated from time to time in accordance with the terms hereof.

“Applicable Rate” means a variable rate of interest equal to the One-Month LIBOR plus the Margin, subject to an overall floor of 1.75% per annum. The Applicable Rate is subject to increase as provided in Section 9.4.

“Authorized Representative” means those persons shown on the list of officers provided by Borrower pursuant to Section 8.2(a)(v), or on any update of any such list provided by Borrower to Lender, or any further or different officer of Borrower so named by any Authorized Representative of Borrower in a written notice to Lender.

“Borrower” is defined in the introductory paragraph.

“Business Day” means a day (other than a Saturday or Sunday) on which banks are not authorized or required to be closed in Sacramento, California.

“CPUC” means the California Public Utilities Commission.

“CAL ISO” means California ISO, the independent grid operator.

“Capital Lease” means at any date any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

“Capitalized Lease Obligation” means the amount of liability as shown on the balance sheet of any Person in respect of a Capital Lease as determined at any date in accordance with GAAP.

“Debt Service Reserve Account” is defined in Section 6.1.

“Debtor Relief Laws” means the United States Bankruptcy Code and all other liquidation, conservatorship, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“Default Rate” means the Applicable Rate plus five percent (5.0%).
“Dollars and $” mean lawful money of the United States.

“Event of Default” is defined in Section 10.1.

“Fiscal Year End” means September 30th.

“Flat Fee” is defined in Section 4.8.

“GAAP” means generally accepted accounting principles as established and interpreted by the Governmental Accounting Standards Board (GASB) and as applied by Borrower.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank, or other entity exercising executive, legislative, judicial taxing, regulatory or administrative powers or functions of or pertaining to government.

“Honor Date” is defined in Section 4.3.

“Indebtedness for Borrowed Money” means, for any Person (without duplication), (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all indebtedness for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business not more than 90 days past due), (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, and (v) all obligations of such Person on or with respect to letters of credit, banker’s acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money.

“Indemnified Liabilities” is defined in Section 11.5.

“Indemnified Person” is defined in Section 11.5.

“Initial Rate Set Date” means the date of issuance of each Promissory Note at which time Lender will determine the One-Month LIBOR which shall be in effect until the next Rate Change Date.

“ISP” is defined in Section 4.5(a)(vi).

“Issuance Fee” is defined in Section 4.8.

“JPA Members” mean the City of Campbell, City of Cupertino, City of Gilroy, City of Los Altos, Town of Los Altos Hills, Town of Los Gatos, City of Milpitas, City of Monte Sereno, City of Morgan Hill, City of Mountain View, County of Santa Clara (Unincorporated Area), City of Saratoga and the City of Sunnyvale.
“**Joint Powers Agreement**” means the Joint Powers Agreement of Borrower effective as of March 31, 2016, and as amended from time to time.

“**Lender**” is defined in the introductory paragraph.

“**Letter of Credit**” means any letter of credit issued hereunder.

“**Letter of Credit Advance**” and “**Letter of Credit Advances**” are defined in Section 2.1.

“**Letter of Credit Note**” is defined in Section 2.3.

“**Lien**” means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

“**Loan Documents**” means this Agreement, the Notes, the Assignment of Deposit Accounts, and all other documents, certificates, instruments and agreements relating to the foregoing or otherwise executed by Borrower in connection with the Revolving Credit.

“**Loan Fee**” means one-quarter of one percent (0.25%) of the Revolving Credit Commitment.

“**Lockbox Account**” means the lockbox agreement and lockbox account established with Lender, as custodian into which all revenues generated by Borrower must be deposited.

“**Maintenance and Operation Costs**” shall be determined in accordance with the accrual basis of accounting in accordance with GAAP and shall mean the reasonable and necessary costs paid or incurred by Borrower for maintaining and operating the System, including costs of electric energy and power generated or purchased, costs of transmission and fuel supply, and including all reasonable expenses of management and repair and other expenses necessary to maintain and preserve the System in good repair and working order, and including all administrative costs of Borrower that are charged directly or apportioned to the maintenance and operation of the System, such as salaries and wages of employees, overhead, insurance, taxes (if any) and insurance premiums, and including all other reasonable and necessary costs of Borrower such as fees and expenses of an independent certified public accountant and the Consulting Engineer, and including Borrower’s share of the foregoing types of costs of any electric properties co-owned with others, excluding in all cases depreciation, replacement and obsolescence charges or reserves therefore and amortization of intangibles and extraordinary items computed in accordance with GAAP or other bookkeeping entries of a similar nature. Maintenance and Operation Costs shall include all amounts required to be paid by Borrower under take or pay contracts.
“Margin” means, percentage points per annum as adjusted for any maximum or minimum rate limitations as provided in the Loan Documents above the One-Month LIBOR. The ‘Revolving Credit Margin’ is equal to 1.75%.

“Maturity Date” means, for any Note, the date so specified in such Note as the Maturity Date.

“Notes” refers collectively to the Promissory Note and, if applicable, the Letter of Credit Note(s).

“Obligations” means and includes all loans, advances, debts, liabilities and obligations of Borrower to Lender, of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), direct or indirect, absolute or contingent, due or to become due, now existing or hereafter owed by Borrower to Lender, whether in connection with the Loan Documents or otherwise, including without limitation all interest, fees, charges, expenses, attorneys’ fees and accountants’ fees chargeable to Borrower or payable by Borrower thereunder.

“One-Month LIBOR” means, as of each Rate Change Date or the Initial Rate Set Date, the rate determined by Lender to be the One-Month LIBOR rate as posted on Bankrate.com (or, if such rate becomes unavailable to Lender, a substitute rate based on an index selected by Lender in its sole discretion) as in effect from time to time, which rate is not necessarily the lowest rate charged by Lender on its loans and is set by Lender in its sole discretion.

“Other RCB Accounts” is defined in Section 6.2.

“Payment Date” means, other than the Termination Date or any Maturity Date, the first day of each calendar month.

“Permitted Liens” is defined in Section 9.9.

“Person” means an individual, partnership, corporation, company, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

“Power Purchase Agreement” means (i) that certain Master Power Purchase and Sale Agreement, to be entered into by Borrower with one or more of the following: 3 Phases Renewable Inc., Energy America, LLC, Exelon Generation Company, LLC, Morgan Stanley Capital Group, Inc., Powerex Corp. and Shell Energy North America (US), L.P., (ii) the Security Agreement, (iii) the Collateral Account Agreement, and (iv) any and all amendments, modifications, and restatements of the documents referred to in the preceding clauses (i) through (iii).

“Promissory Note” is defined in Section 2.3.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.
“Rate Change Date” means the first calendar day of each calendar month.

“Reimbursement Date” is defined in Section 4.3.

“Related Parties” means, with respect to any Person, such Person’s affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s affiliates.

“Responsible Officer” means the Chief Executive Officer.

“Revolving Credit” is defined in Section 2.1.

“Revolving Credit Commitment” means, at any time of determination, an amount equal to $35,000,000.00 less the aggregate principal amount of Advances made by Lender under the Revolving Credit.

“Revolving Credit Termination Date” means October 21, 2021.

“SWIFT” is defined in Section 4.6.

“System” means (i) all facilities, works, properties, structures and contractual rights to distribution, metering and billing services, electric power, scheduling and coordination, transmission capacity, and fuel supply of Borrower for the generation, transmission and distribution of electric power, (ii) all general plant facilities, works, properties and structures of Borrower, and (iii) all other facilities, properties and structures of Borrower, wherever located, reasonably required to carry out any lawful purpose of Borrower. The term shall include all such contractual rights, facilities, works, properties and structures now owned or hereafter acquired by Borrower.

“UCC” means the Uniform Commercial Code as enacted in the State of California.

“Unreimbursed Amount” is defined in Section 2.3.

“UPC” is defined in Section 4.5(a)(vi).

“Winding-Up” means, in relation to a Person, a voluntary or involuntary case or other proceeding or petition seeking dissolution, liquidation, reorganization, administration, assignment for the benefit of creditors or other relief under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect, or seeking the appointment of a custodian, trustee, receiver, liquidator or other similar official over that Person or any substantial part of that Person’s Properties.

“Working Capital Advance” is defined in Section 2.1.
EXHIBIT B

REVOLVING CREDIT PROMISSORY NOTE

$35,000,000.00 Date: October 22, 2019
Loan No. 5084548931

FOR VALUE RECEIVED, SILICON VALLEY CLEAN ENERGY AUTHORITY, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et seq. (“Borrower”), promises to pay to the order of RIVER CITY BANK (“Lender”) the principal sum of THIRTY-FIVE MILLION and/100 DOLLARS ($35,000,000.00), pursuant to the terms of that certain Amended and Restated Credit Agreement (the “Credit Agreement”) dated as of October 22, 2019, between Borrower and Lender, together with interest thereon as provided herein and therein. All payments under this Revolving Credit Promissory Note (“Note”) shall be made to Lender at its address specified in the Credit Agreement, or at such other place as the holder of this Note may from time to time designate in writing, in accordance with the terms of this Note and the Credit Agreement. Capitalized terms used but not defined in this Note shall have the definitions provided in the Credit Agreement.

Payment Terms. Borrower agrees to pay monthly payments of interest only on the unpaid principal balance of this Note as of each Payment Date beginning on the latter of (a) the first Payment Date after the date of each Advance, or (b) November 1, 2019, with all subsequent payments due and payable on each Payment Date thereafter as provided in Section 3 of the Credit Agreement. Interest will accrue prior to maturity (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after maturity (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full.

Maturity Date. The outstanding principal balance of this Note and all accrued but unpaid interest thereon shall be due and payable in full on the Revolving Credit Termination Date.

Default and Acceleration. Upon the occurrence of any Event of Default described in Section 10.1 of the Credit Agreement, Lender or any permitted holder of this Note may exercise any or all of the rights and remedies set forth therein, including the exercise of Lender’s option to accelerate this Note and declare all Advances and all indebtedness under this Note then outstanding to be immediately due and payable, with or without notice to Borrower, as applicable.

Miscellaneous. This Note and the holder hereof are entitled to all of the rights and benefits provided for in the Credit Agreement. All of the terms, covenants and conditions contained in the Credit Agreement are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an
agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

This Note will be construed in accordance with, and governed by, the internal laws of the State of California.

Borrower promises to pay all costs and expenses (including reasonable attorneys’ fees and expert witnesses’ fees) suffered or incurred by Lender or subsequent holder of this Note in the collection of this Note or the enforcement Lender’s rights and remedies under the Credit Agreement.

Borrower hereby waives presentment for payment and demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) the obligations evidenced by this Note or release any party or guarantor or collateral, or impair, fail to realize upon or perfect Lender’s security interest in the collateral, if any; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify the terms of this Note without the consent of or notice to anyone other than the party with whom the modification is made.

Prior to signing this Note, Borrower read and understood all the provisions of this Note and the Credit Agreement, including the variable interest rate provisions in the Credit Agreement. Borrower agrees to the terms of this Note and the Credit Agreement. Borrower acknowledges receipt of complete copies of this Note and the Credit Agreement.

IN WITNESS WHEREOF, Borrower has duly executed this Note as of the day and year first above written.

**Silicon Valley Clean Energy Authority**

By:_____________________________
Girish Balachandran
Its: Chief Executive Officer

By:_____________________________
Margaret Abe-Koga
Its: Chairperson of the Board
EXHIBIT C

LETTER OF CREDIT NOTE

$______________ 

FOR VALUE RECEIVED, SILICON VALLEY CLEAN ENERGY AUTHORITY, a public agency formed under the provisions of the Joint Exercise of Powers Act of the State of California, Government Code Section 6500 et. seq. (“Borrower”), promises to pay to the order of RIVER CITY BANK (“Lender”) the principal sum of $__________ ($______,000.00) pursuant to the terms of that certain Amended and Restated Credit Agreement (the “Credit Agreement”) dated as of October 22, 2019, between Borrower and Lender, together with interest thereon as provided herein and therein. All payments under this Letter of Credit Note (this “Note”) shall be made to Lender at its address specified in the Credit Agreement or at such other place as the holder of this Note may from time to time designate in writing, in accordance with the terms of this Note and the Credit Agreement. Capitalized terms used but not defined in this Note shall have the definitions provided in the Credit Agreement.

Letter of Credit. This Note is executed in connection with a Letter of Credit issued by ____________ (“Issuing Bank”), dated ______________, in the face amount of $______________, in favor of ______________________ (as Beneficiary) and identified as number: _____________ (the “Letter of Credit”).

Draw or Demand under the Letter of Credit. Borrower directs and authorizes Lender to immediately advance funds under this Note to repay in full any demand or draw request form Beneficiary under the Letter of Credit (the “Disbursement”).

Payment Terms. Borrower agrees to pay any Disbursement immediately upon demand from Lender and in no event less than 3 calendar days from the date of the Disbursement (the “Demand Date”). From the date of the Disbursement to the Demand Date, Borrower shall pay interest only on the unpaid principal balance of this Note (whether by lapse of time, acceleration or otherwise) at the Applicable Rate and after the Demand Date (whether by lapse of time, acceleration or otherwise), whether before or after judgment, at the Default Rate, until paid in full.

Maturity Date. The repayment obligations from Borrower to Lender under this Note shall remain in full force and effect until the original Letter of Credit including any and all amendments is surrendered to Issuing Bank undrawn and cancelled to the satisfaction of Issuing Bank.

Credit Agreement and Cash Collateral. If (i) the Letter of Credit has been issued and remains unexpired on the Revolving Credit Termination Date, or (ii) the Revolving Credit Commitment terminates or is unavailable to Borrower for any reason prior to the surrender of the Letter of Credit as provided above, or (iii) the amount of all Letter of Credit Advances exceeds the Revolving Credit Commitment, upon request by Lender, Borrower shall immediately provide
cash collateral to Lender with a value of not less than 110% of the stated principal amount of this Note or the amount by which the amount of all Letter of Credit Advances exceeds the Revolving Credit Commitment, as applicable.

**Default and Acceleration.** Upon the occurrence of any Event of Default described in Section 11.1 of the Credit Agreement, Lender or any permitted holder of this Note may exercise any or all of the rights and remedies set forth therein, including the exercise of Lender’s option to accelerate this Note and declare all Advances and all indebtedness under this Note then outstanding to be immediately due and payable, with or without notice to Borrower, as applicable.

**Miscellaneous.** This Note and the holder hereof are entitled to all of the rights and benefits provided for in the Credit Agreement. All of the terms, covenants and conditions contained in the Credit Agreement are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Credit Agreement, the terms and provisions of the Credit Agreement shall control.

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

This Note will be construed in accordance with, and governed by, the internal laws of the State of California.

Borrower promises to pay all costs and expenses (including reasonable attorneys’ fees and expert witnesses’ fees) suffered or incurred by Lender or subsequent holder of this Note in the collection of this Note or the enforcement Lender’s rights and remedies under the Credit Agreement.

Borrower hereby waives presentment for payment and demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) the obligations evidenced by this Note or release any party or collateral, or impair, fail to realize upon or perfect Lender’s security interest in the collateral, if any; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify the terms of this Note without the consent of or notice to anyone other than the party with whom the modification is made.
Prior to signing this Note, Borrower read and understood all the provisions of this Note and the Credit Agreement, including the variable interest rate provisions in the Credit Agreement. Borrower agrees to the terms of this Note and the Credit Agreement. Borrower acknowledges receipt of complete copies of this Note and the Credit Agreement.

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: __________________________
Name: _________________________
Title: _________________________
ASSIGNMENT OF DEPOSIT ACCOUNTS

Grantor:  Silicon Valley Clean Energy Authority
          333 W. El Camino Real, Suite 290
          Sunnyvale, CA 94087

Lender:  RIVER CITY BANK
          Business Banking Group
          2485 Natomas Park Drive
          Sacramento, CA 95833

THIS ASSIGNMENT OF DEPOSIT ACCOUNT dated October 22, 2019 is made and executed among
Silicon Valley Clean Energy Authority (“Grantor”) and RIVER CITY BANK (“Lender”).

ASSIGNMENT. For valuable consideration, Grantor assigns and grants to Lender a security interest in the
Collateral, including without limitation the deposit account(s) described below, to secure the Indebtedness
and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition
to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word “Collateral” means the following described deposit
account(s) (“Accounts”):

(i) A deposit account from Grantor with Lender with reference number 5469968313, and all
    amendments, extensions, renewals, replacements of the accounts (all called the “Debt Service
    Reserve Account”), and all existing and future amounts in the Account, and all existing and future
interest and other earnings on the Debt Service Reserve Account, and all proceeds. The Debt
Service Reserve Account will at all times maintain the following minimum account balance:

    Minimum Required Balance: $3,500,000.00; and

(ii) All other deposit accounts Grantor maintains with Lender.

    together with (A) all interest, whether now accrued or hereafter accruing; (B) all additional deposits
    hereafter made to the Account; (C) any and all proceeds from the Account; and (D) all renewals,
    replacements and substitutions for any of the foregoing.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all
Grantor’s accounts with Lender (whether checking, savings, or some other account) other than the Lockbox
Account (as defined in the Credit Agreement). This includes all accounts Grantor holds jointly with someone
else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh
accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to
the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any
and all such accounts.

GRANTOR’S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE
COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Ownership. Grantor is the lawful owner of the Collateral free and clear of all loans, liens, encumbrances,
and claims except as disclosed to and accepted by Lender in writing.
Right to Grant Security Interest. Grantor has the full right, power, and authority to enter into this Agreement and to assign the Collateral to Lender.

No Prior Assignment. Grantor has not previously granted a security interest in the Collateral to any other creditor.

No Further Transfer. Grantor shall not sell, assign, encumber, or otherwise dispose of any of Grantor’s rights in the Collateral except as provided in this Agreement.

No Defaults. There are no defaults relating to the Collateral, and there are no offsets or counterclaims to the same. Grantor will strictly and promptly do everything required of Grantor under the terms, conditions, promises, and agreements contained in or relating to the Collateral.

Proceeds. Any and all replacement or renewal certificates, instruments, or other benefits or proceeds related to the Collateral that are received by Grantor shall be held by Grantor in trust for Lender and immediately shall be delivered by Grantor to Lender to be held as part of the Collateral.

Validity; Binding Effect. This Agreement is binding upon Grantor and Grantor’s successors and assigns and is legally enforceable in accordance with its terms.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender’s security interest. At Lender’s request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender’s security interest in the Collateral. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. Grantor will promptly notify Lender of any change to Grantor’s name or its jurisdiction of organization.

LENDER’S RIGHTS AND OBLIGATIONS WITH RESPECT TO THE COLLATERAL. While this Agreement is in effect, Lender may retain the rights to possession of the Collateral, together with any and all evidence of the Collateral, such as certificates or passbooks. This Agreement will remain in effect until (a) there is no longer any Indebtedness owing to Lender; (b) all other obligations secured by this Agreement have been fulfilled; and (c) Grantor, in writing, has requested from Lender a release of this Agreement.

LENDER’S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender’s interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor’s failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor’s behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the applicable rate charged under any one of the Notes (as selected by Lender in its sole discretion) from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender’s option, will (A) be payable on demand; (B) be added to the balance of such Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note’s maturity. This Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.
LIMITATIONS ON OBLIGATIONS OF LENDER. Lender shall use ordinary reasonable care in the physical preservation and custody of any certificate or passbook for the Collateral but shall have no other obligation to protect the Collateral or its value. In particular, but without limitation, Lender shall have no responsibility (A) for the collection or protection of any income on the Collateral; (B) for the preservation of rights against issuers of the Collateral or against third persons; (C) for ascertaining any maturities, conversions, exchanges, offers, tenders, or similar matters relating to the Collateral; nor (D) for informing Grantor about any of the above, whether or not Lender has or is deemed to have knowledge of such matters.

DEFAULT. Any Default or Event of Default under the Credit Agreement shall constitute an Event of Default under this Agreement.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default, or at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any rights or remedies that may be available at law, in equity, or otherwise:

Accelerate Indebtedness. Lender may declare all Indebtedness of Borrower to Lender immediately due and payable, without notice of any kind to Borrower or Grantor.

Application of Account Proceeds. Lender may take directly all funds in the Accounts and apply them to the Indebtedness. If an Account is subject to an early withdrawal penalty, that penalty shall be deducted from the Account before its application to the Indebtedness, whether the Account is with Lender or some other institution. Any excess funds remaining after application of the Account proceeds to the Indebtedness will be paid to Borrower or Grantor as the interests of Borrower or Grantor may appear. Borrower agrees, to the extent permitted by law, to pay any deficiency after application of the proceeds of the Accounts to the Indebtedness. Lender also shall have all the rights of a secured party under the California Uniform Commercial Code (“Code”), even if the Accounts are not otherwise subject to the Code concerning security interests, and the parties to this Agreement agree that the provisions of the Code giving rights to a secured party shall nonetheless be a part of this Agreement.

Transfer Title. Lender may effect transfer of title upon sale of all or part of the Collateral. For this purpose, Grantor irrevocably appoints Lender as Grantor’s attorney-in-fact to execute endorsements, assignments and instruments in the name of Grantor and each of them (if more than one) as shall be necessary or reasonable.

Other Rights and Remedies. Lender shall have and may exercise any or all of the rights and remedies of a secured creditor under the provisions of the Code, at law, in equity, or otherwise.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement.

Remedies Cumulative. Except as may be prohibited by applicable law, all of Lender’s rights and remedies, whether evidenced by this Agreement or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and any election by Lender to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor’s failure to perform, shall not affect Lender’s right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration
of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Attorneys’ Fees; Expenses.** Grantor agrees to pay upon demand all of Lender’s costs and expenses, including Lender’s attorneys’ fees and Lender’s legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender’s attorneys’ fees and legal expenses whether or not there is a lawsuit, including attorneys’ fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Governing Law.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

**Choice of Venue.** If there is a lawsuit, Grantor agrees upon Lender’s request to submit to the jurisdiction of the courts of Sacramento County, State of California.

**Joint and Several Liability.** All obligations of Borrower and Grantor, if they are different, under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Agreement.

**Preference Payments.** Any monies Lender pays because of an asserted preference claim in Borrower’s or Grantor’s bankruptcy will become a part of the Indebtedness and, at Lender’s option, shall be payable by Borrower and Grantor as provided in this Agreement.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender’s right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender’s rights or of any of Grantor’s obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other party, specifying that the purpose of the notice is to change the party’s address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor’s current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.
Power of Attorney. Grantor hereby appoints Lender as its true and lawful attorney-in-fact, irrevocably, with full power of substitution to do the following: (1) to demand, collect, receive, receipt for, sue and recover all sums of money or other property which may now or hereafter become due, owing or payable from the Collateral; (2) to execute, sign and endorse any and all claims, instruments, receipts, checks, drafts or warrants issued in payment for the Collateral; (3) to settle or compromise any and all claims arising under the Collateral, and in the place and stead of Grantor, to execute and deliver its release and settlement for the claim; and (4) to file any claim or claims or to take any action or institute or take part in any proceedings, either in its own name or in the name of Grantor, or otherwise, which in the discretion of Lender may seem to be necessary or advisable. This power is given as security for the Indebtedness, and the authority hereby conferred is and shall be irrevocable and shall remain in full force and effect until renounced by Lender.

Waiver of Co-Obligor’s Rights. If more than one person is obligated for the Indebtedness, Grantor irrevocably waives, disclaims and relinquishes all claims against such other person which Grantor has or would otherwise have by virtue of payment of the Indebtedness or any part thereof, specifically including but not limited to all rights of indemnity, contribution or exoneration.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any person or circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other person or circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor’s interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor’s successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower’s Indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Code:

Accounts. The word “Accounts” means the deposit account(s) described in the “Collateral Description” section.

Agreement. The word “Agreement” means this Assignment of Deposit Accounts, as this Assignment of Deposit Accounts may be amended or modified from time to time, together with all exhibits and schedules attached to this Assignment of Deposit Accounts from time to time.
**Borrower.** The word “Borrower” means Silicon Valley Clean Energy Authority and includes all co-signers and co-makers signing the Notes and all their successors and assigns.

**Collateral.** The word “Collateral” means all of Grantor’s right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

**Credit Agreement.** The words “Credit Agreement” mean the Amended and Restated Credit Agreement dated as of October 22, 2019 between Borrower and Lender, as amended or modified from time to time.

**Default.** The word “Default” means the Default set forth in this Agreement in the section titled “Default”.

**Event of Default.** The words “Event of Default” mean any of the events of default set forth in this Agreement in the default section of this Agreement.

**Grantor.** The word “Grantor” means Silicon Valley Clean Energy Authority.

**Indebtedness.** The word “Indebtedness” means all indebtedness of Borrower under the Credit Agreement, the Notes or any of the Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or any of the Related Documents.

**Lender.** The word “Lender” means RIVER CITY BANK, its successors and assigns.

**Notes.** The word “Notes” means any and all Promissory Notes (as defined in the Credit Agreement) executed by Borrower in connection with a Revolving Credit (as defined in the Credit Agreement), together with all renewals, extensions, modifications, consolidations and replacements of such Promissory Notes.

**Related Documents.** The words “Related Documents” mean all promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**GRANTOR HAS READ AND UNDERSTANDS ALL THE PROVISIONS OF THIS ASSIGNMENT OF DEPOSIT ACCOUNTS AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED OCTOBER 22, 2019.**

**GRANTOR:**

**SILICON VALLEY CLEAN ENERGY AUTHORITY**

By: ______________________________

Its ______________________________
EXHIBIT E

REQUEST FOR ADVANCE

$35,000,000 REVOLVING CREDIT

BORROWER:  SILICON VALLEY CLEAN ENERGY AUTHORITY, HEREBY REQUESTS AN ADVANCE UNDER THE $35,000,000 REVOLVING CREDIT NOTE IN ACCORDANCE WITH THE AMENDED AND RESTATED CREDIT AGREEMENT.

ADVANCE DATE: __________________________

AMOUNT OF REQUESTED ADVANCE: $______________________________

PURPOSE OF ADVANCE:

___ - THIS ADVANCE WILL BE USED TO FUND RESERVES IN ACCORDANCE WITH THE POWER PURCHASE AGREEMENT AND FUNDS ARE TO BE DEPOSITED INTO THE LOCKBOX ACCOUNT: ____________.

___ - THIS IS A WORKING CAPITAL ADVANCE TO COVER THE POWER PURCHASE PAYMENT FOR THE MONTH ENDING _____________.

___ - ATTACHED IS THE INVOICE FOR SUCH POWER PURCHASE PAYMENT

___ - YOU ARE AUTHORIZED TO REMIT THIS PAYMENT DIRECTLY TO THE POWER SUPPLIER AS FOLLOWS:

COMPANY NAME:_____________________________________

WIRE INSTRUCTIONS:
BANK NAME: ________________________________
ADDRESS: ______________________________________
ROUTING NUMBER: _____________________________
ACCOUNT NUMBER: _____________________________
OTHER REFERENCE: ______________________________

BORROWER CERTIFICATION:

BORROWER HEREBY CERTIFIES THAT:

(I) AFTER MAKING THE ADVANCE REQUESTED ON THE ADVANCE DATE ABOVE, THE SUM OF ALL ADVANCES SHALL NOT EXCEED THE REVOLVING COMMITMENTS THEN IN EFFECT;
(II) AS OF THE ADVANCE DATE, THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THE AMENDED AND RESTATED CREDIT AGREEMENT ARE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH ADVANCE DATE TO THE SAME EXTENT AS THOUGH MADE ON AND AS OF SUCH DATE, EXCEPT TO THE EXTENT SUCH REPRESENTATIONS AND WARRANTIES SPECIFICALLY RELATE TO AN EARLIER DATE, IN WHICH CASE SUCH REPRESENTATIONS AND WARRANTIES ARE TRUE AND CORRECT IN ALL MATERIAL RESPECTS ON AND AS OF SUCH EARLIER DATE; PROVIDED THAT, IN EACH CASE, SUCH MATERIALITY QUALIFIER SHALL NOT BE APPLICABLE TO ANY REPRESENTATIONS AND WARRANTIES THAT ALREADY ARE QUALIFIED OR MODIFIED BY MATERIALITY IN THE TEXT THEREOF; AND

(III) AS OF THE ADVANCE DATE, NO EVENT HAS OCCURRED AND IS CONTINUING OR WOULD RESULT FROM THE CONSUMMATION OF THE BORROWING CONTEMPLATED HEREBY THAT WOULD CONSTITUTE AN EVENT OF DEFAULT OR A DEFAULT.

(IV) THIS ADVANCE IS BEING USED FOR THE PURPOSE INTENDED AS PROVIDED IN THE AMENDED AND RESTATED CREDIT AGREEMENT AND NO PORTION OF THIS ADVANCE IS BEING USED TO FUND OPERATING LOSSES.

SILICON VALLEY CLEAN ENERGY AUTHORITY

BY: ______________________________
    GIRISH BALACHANDRAN
    Its: Chief Executive Officer

BY: ______________________________
    MARGARET ABE-KOGA
    Its: Chairperson of the Board
EXHIBIT F

DOCUMENT SUMMARY AND NOTICE OF FINAL AGREEMENT

Borrower has been provided with the following documents issued in connection with the loan evidenced by a Revolving Credit Promissory Note in the original principal balance of $35,000,000 (the “Note”):

Amended and Restated Credit Agreement with Exhibits
A – Definitions
B – Form of Revolving Credit Promissory Note
C – Form of Letter of Credit Note
D – Assignment of Deposit Accounts Agreement
E – Form of Request for Advance (RLOC)
F – Form of Document Summary and Notice of Final Agreement

BORROWER REPRESENTS AND WARRANTS:

1) IT HAS READ, UNDERSTANDS AND AGREES WITH THE TERMS OF EACH DOCUMENT LISTED ABOVE AND THIS AGREEMENT;

2) IT CONFIRMS THAT THERE ARE NO CONFLICTS BETWEEN THE TERMS OF THE DOCUMENTS AND ITS UNDERSTANDING OF THE TRANSACTION;

3) THE WRITTEN DOCUMENTS ISSUED IN CONNECTION WITH THE LOAN REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

4) THE WRITTEN DOCUMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.

5) IT HAS HAD AN OPPORTUNITY TO DISCUSS THE LOAN TRANSACTION WITH ITS COUNSEL.

BORROWER:

Silicon Valley Clean Energy Authority

By: ____________________________
    Girish Balachandran

Its:   Chief Executive Officer

By: ____________________________
    Margaret Abe-Koga

Its:   Chairperson of the Board
Staff Report – Item 1i

Item 1i: Audit Committee Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Andrea Pizano, Board Clerk/Executive Assistant

Date: 10/9/2019

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.
<table>
<thead>
<tr>
<th>Item 1j: Legislative Ad Hoc Committee Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>To: Silicon Valley Clean Energy Board of Directors</td>
</tr>
<tr>
<td>Prepared by: Andrea Pizano, Board Clerk/Executive Assistant</td>
</tr>
<tr>
<td>Date: 10/9/2019</td>
</tr>
</tbody>
</table>

No report as the Legislative Ad Hoc Committee has not met since August 27, 2019.
**Staff Report – Item 1k**

<table>
<thead>
<tr>
<th><strong>Item 1k:</strong></th>
<th><strong>Executive Committee Report</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To:</strong></td>
<td>Silicon Valley Clean Energy Board of Directors</td>
</tr>
<tr>
<td><strong>Prepared by:</strong></td>
<td>Andrea Pizano, Board Clerk/Executive Assistant</td>
</tr>
<tr>
<td><strong>Date:</strong></td>
<td>10/9/2019</td>
</tr>
</tbody>
</table>

No report as the Executive Committee has not met since August 23, 2019. The next regularly scheduled meeting will be October 25, 2019, 9 a.m., at the SVCE Office.
Staff Report – Item 1

Item 1:  Finance and Administration Committee Report

To:  Silicon Valley Clean Energy Board of Directors

Prepared by:  Andrea Pizano, Board Clerk/Executive Assistant

Date:  10/9/2019

No report as the Finance and Administration Committee has not met since September 3, 2019. The next regularly scheduled meeting will be November 1, 2019, 12 p.m., at the SVCE Office.
Staff Report – Item 2

Item 2: CEO Report

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Girish Balachandran, CEO

Date: 10/9/2019

REPORT

SVCE Staff Update
Michaela Pippin joined SVCE as our new Communications Specialist. Michaela studied Public Relations and Public Administration at CSU Fullerton. She worked as a freelance PR specialist for Algalita, the nonprofit founded by Captain Charles Moore who discovered the great pacific garbage patch. Michaela is equally passionate about PR, public service and the environment.

CEO Agreements Executed
The following agreements have been executed by the CEO, consistent with the authority delegated by the Board:
  1) Winston & Strawn: Provide advice regarding PG&E bankruptcy, not to exceed $50,000
  2) NewGen Strategies & Solutions: Amendment, Advice and expert testimony in PG&E 2020-22 GRC, not to exceed $15,000
  3) Powerhouse Accelerator, LLC: Amendment, Prize Competition Services, not to exceed $50,000
  4) SMUD: Amendment, First Amendment to Task Order #1, not to exceed $35,200

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>PG&amp;E</td>
<td>9/9/2019</td>
<td>Purchase</td>
<td>Resource Adequacy</td>
<td>1/1/2020</td>
<td>12/31/2022</td>
<td>$1,978,000.00</td>
</tr>
<tr>
<td>Powerex</td>
<td>9/26/2019</td>
<td>Purchase</td>
<td>Resource Adequacy</td>
<td>5/1/2020</td>
<td>10/31/2020</td>
<td>$2,046,000.00</td>
</tr>
</tbody>
</table>

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

Presentations & Relevant Meetings Attended by CEO
- Participated in the Northern California Power Agency Annual Meeting in Lake Tahoe. He participated in a panel, along with two other CCA CEOs, titled “How Community Choice is Changing the Game”.
- Along with several other CCA CEOs and CalCCA staff, participated in a meeting with Federal Energy Regulatory Commission (FERC) Commissioner, Richard Glick
- Attended the Santa Clara and San Benito County Building Trades Annual BBQ
- Toured IBEW 332 Training Facility in San Jose

**ATTACHMENTS**
1. Decarb & Grid Innovation Programs Update, October 2019
2. Account Services & Community Relations Update, October 2019
3. Regulatory and Legislative Update, October 2019
Decarb & Grid
Innovation Programs Update

October 2019
1. Reach Code Initiative

- 12 Letters of Intent signed and received.
- 11 member agencies have scheduled a Council Briefing or 1st Reading.
  - Sunnyvale and County of Santa Clara to be determined.
- Buildings
  - One member agency considering a Berkeley-style gas ban.
  - All others are evaluating a combination of pre-wiring for future electric appliances, encouraging electric appliances, requiring electric appliances except for cooking, and/or increased solar for non-residential.
- EVs
  - Member agencies still evaluating appropriate quantity, speed and/or readiness of EV charging above code given their community.
2. EV Programs

- CALeVIP scoping is ongoing
- Board approved the EVI Plan in September with six program designs
- Currently working on first programs for 2019 launch:
  - Silicon Valley Transportation Electrification Clearinghouse
  - Regional EV Leadership Recognition
  - Priority Zone DC Fast Charging

Digital version available at: https://www.svcleanenergy.org/programs/
3. All-Electric Showcase Awards (1/2)

- Press release announcing all winners sent week of Sept. 30
- Eight online profiles complete and available at: https://www.svcleanenergy.org/all-electric-award/
- Booklet now available for outreach events:
3. All-Electric Showcase Awards (2/2)

- Sponsored a special award – All-Electric Development of the Year at the Silicon Valley Business Journal Structures Awards on Sept. 19
- City Ventures recognized for Depot Station, market-rate townhomes in Morgan Hill
- Presented by Chair Abe-Koga, accepted by Dan Hale, of Hunt Hale Jones - project architect
- Sponsorship includes print and digital ads
4. FutureFit Home Program

- Program launched in June, to provide rebates to replace 100 natural gas water heaters with electric heat pump water heaters
- Received 106 applications to date
  - 12 Completed. 83 Reserved. 11 Withdrawn.
  - 5 rebate slots available (95 complete or reserved)
- 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. 2018 GHG Inventory Update

- Conducted inventory of energy & transportation GHG emissions in SVCE service territory for Calendar Year 2018
- SVCE currently coordinating with city managers and staff who have requested 2018 emissions data
- Full GHG analysis to be included in annual Decarb Roadmap update

**Electricity Emissions:**
- **2017:** 47% below 2015
- **2018:** 76% below 2015
6. Innovation Onramp Open for Applications

- Innovation Onramp provides small grants to fund innovative pilots with external partners
- Launched 2\textsuperscript{nd} application round, deadline Nov 1\textsuperscript{st}
- Focus area: innovative mobility solutions
7. Other Updates

- **Q3 2019 programs update** included in consent calendar
- **Innovation programs update** included in consent calendar
- SVCE provided a [letter of support](#) to Electric Power Research Institute (EPRI) for a proposal to the National Science Foundation to better understand drivers of deep electrification of residential energy services. Response expected in 10-12 weeks.
1. Outreach Events & Sponsorships

Several key events took place and are coming up this fall focused on electrification, and SVCE continues to see a growing interest in this area among customers.

Past and upcoming events:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 19</td>
<td>8 AM - 4 PM</td>
<td>REignite Conference - <em>tabling</em></td>
<td>San Jose</td>
</tr>
<tr>
<td>Sept. 19</td>
<td>5 PM - 8:30 PM</td>
<td>Silicon Valley Business Journal Structures Award - <em>tabling &amp; attending</em></td>
<td>San Jose</td>
</tr>
<tr>
<td>Oct. 1</td>
<td>6:30 - 7:30 PM</td>
<td>Energy Workshop with VIVO – <em>presentation</em></td>
<td>Milpitas Public Library</td>
</tr>
<tr>
<td>Oct. 4</td>
<td>6 – 9 PM</td>
<td>Sierra Club Loma Prieta Chapter Guardians of Nature Benefit - <em>sponsor</em></td>
<td>Mitchell Park Community Center, Palo Alto</td>
</tr>
<tr>
<td>Oct. 5</td>
<td>2 – 4 PM</td>
<td>Saratoga State of the City - <em>tabling</em></td>
<td>Saratoga City Hall</td>
</tr>
<tr>
<td>Oct. 7</td>
<td>12 PM - 1:30 PM</td>
<td>Genentech Alternative Energy Fair- <em>presenting &amp; tabling</em></td>
<td>Genentech</td>
</tr>
<tr>
<td>Oct. 10</td>
<td>10 AM - 4:30 PM</td>
<td>Bay Area Home Electrification Expo- <em>tabling</em></td>
<td>Mitchell Park Community Center, Palo Alto</td>
</tr>
<tr>
<td>Oct. 12</td>
<td>10 AM - 4 PM</td>
<td>Bay Area Home Electrification Expo - <em>tabling</em></td>
<td>The Tech Interactive Museum, San Jose</td>
</tr>
<tr>
<td>Oct. 12</td>
<td>11 AM - 6 PM</td>
<td>Cupertino Diwali Festival– <em>sponsor &amp; tabling</em></td>
<td>Memorial Park, Cupertino</td>
</tr>
<tr>
<td>Oct. 13</td>
<td>10 AM - 3 PM</td>
<td>Day on the Bay – <em>sponsor &amp; tabling</em></td>
<td>Alviso Marina County Park</td>
</tr>
<tr>
<td>Oct. 22</td>
<td>6 PM - 8 PM</td>
<td>BayREN Home Energy Workshop – <em>presenting &amp; tabling</em></td>
<td>Los Gatos Library</td>
</tr>
</tbody>
</table>
## 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>1,207</td>
<td>9,278</td>
<td>3.81%</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>1,993</td>
<td>886</td>
<td>3.16%</td>
<td>3.75%</td>
</tr>
</tbody>
</table>
3. Community Outreach Grants

- In-Language Energy Workshops
  - Vietnamese Voluntary Foundation (VIVO) Energy Presentation
    - Milpitas Library, Oct. 1, 6:30 – 7:30 PM

- Grantees are wrapping up their deliverables and turning in final reports by Oct. 31
- Report on outcomes to be provided Nov. 2019

In-language outreach surveys through VIVO community outreach
4. Member Agency Working Group Update

The following items were presented and discussed at the September meeting:

- SVCE Updates
  - New administrator for DIY Energy Savings Toolkits, seeking MAWG input to refresh program

- Presentation by Climate Youth Ambassadors, Kaushik Tota

- Program Status
  - Heat Pump Water Heater
  - Reach Codes
  - All-Electric Showcase Awards
  - EV Infrastructure
  - Virtual Power Plant
5. Media

Latest SVCE News

- SV Clean Energy Issues Electric Vehicle Infrastructure Plan, Press Release, 09-17-19
- Silicon Valley Clean Energy releases EV action plan, American Public Power Association, 09-27-19

News Mentions

- Climate Fair in Los Gatos on September 22, Los Gatos Patch, 09-04-2019
- EPA Honors 2019 Green Power Leadership Award Winners, Trade & Development, 09-09-2019
- San Francisco Offers $2.5B to Take Over Its Share of PG&E's Grid, Greentech Media, 09-09-2019
- New Mexico wind power project picks up steam, Santa Fe New Mexican, 09-09-2019
- Looming Grid Shortfall Prompts 2.5GW California Procurement Proposal, Greentech Media, 09-13-2019
- Los Gatos Climate Fair, CBS News San Francisco, 09-23-2019
A happy post-legislative-session October to you all. September was a packed month, but one made slightly more navigable by the common themes that continue to underly many of our key proceedings. Reliability has emerged as the single biggest issue in the regulatory space right now, sparked in no small part by the 6/20 Ruling that identified a potentially serious reliability threat in 2023 due to planned retirement of gas-powered Once-Through Cooling (“OTC”) fossil plants for local environmental reasons. Proposed Decisions from the Commission this month in both the Integrated Resource Planning and Resource Adequacy proceedings attempt to articulate and prepare for a post-OTC future, with varying degrees of prudence in our view. Representing ourselves effectively in a regulatory moment like this requires thoughtful attention to both how new system-wide frameworks are being designed (see the IRP and RA PDs and the Direct Access study) as well as how they will intersect on an individual load serving entity (LSE) level to impact SVCE’s portfolio and financial stability (see the PCIA Working Group 3 resource allocations and the RA central buyer settlement). There will be much more work in this vein as we move closer to the 2045 deadline for fully decarbonizing California’s grid, so it’s especially important that we lay solid foundations in the early stages. Our work at the CPUC this fall will also directly impact the legislation we’ll see and need to engage with in the 2020 legislative session.

Regulatory

Integrated Resource Planning (“IRP”; R.16-02-007)

SVCE’s work in this sprawling proceeding can be separated into three different subject matter areas that are all moving forward simultaneously:

1) Procurement Track in response to 2018 IRPs. As mentioned in the past couple updates, this track was initiated in response to Commission analysis of the aggregated 2018 IRPs from all Load Serving Entities (“LSEs”) statewide. The track started with a Ruling in June suggesting that in order to protect grid reliability, California should delay the scheduled decommissioning of some Once-Through Cooling (OTC) thermal plants and CA LSEs should procure an extra 2,500 MW of system Resource Adequacy capacity resources on top of current requirements. On September 12th, after reviewing stakeholder comments on the Ruling, the Commission issued a Proposed Decision (“PD”) that would implement this plan. As written the PD would only require LSEs in southern California to procure the extra RA, so there would be no financial impact to SVCE. However, some important questions remain open about the extent of the need and the most appropriate implementation mechanism, so it’s possible that the final Decision will require SVCE and other northern CCAs to contribute. CalCCA submitted comments on 10/2 highlighting where additional analysis would be prudent and pointing out intersections of this PD with other ongoing proceedings. The PD is currently expected to come before the Commission on 10/24.

2) Filing requirements for 2020 IRPs. On September 20th, the Commission released its first proposal of the compliance requirements for the 2020 IRP. While the compliance materials will take the same basic form as the 2018 IRP compliance materials (templates for documenting contracts, a GHG calculator for emissions, and a written report), CPUC staff have proposed numerous updates based on lessons learned from the 2017-2018 IRP cycle. SVCE is working with CalCCA and other CCAs to provide feedback on these proposed requirements, including areas where they may overstep Commission jurisdiction over CCAs.
3) **Internal development of SVCE’s 2020 IRP.** Work this month focused on processing feedback from the first Board workshop on 9/11/19, preparing scenario analysis for the second one on 10/9/19, and mapping and securing the roles and resources necessary to move further forward with 2020 IRP development. Attention will shift next to analyzing the Draft Reference System Plan pending its scheduled release on or before 10/8/19.

**Resource Adequacy (“RA”; R.17-09-020)**

Again here, there are two areas of focus:

1) **The Settlement Proposal.** As we discussed last month, on 8/30/19 CalCCA, San Diego Gas & Electric, and six other parties submitted a settlement proposal to the CPUC for a central buyer structure encompassing system, local, and flexible RA. Comments on the proposal from other stakeholders were due 9/30/19, and included both support and opposition. The Commission has yet to respond to the RA central buyer settlement proposal, but will likely do so soon in order to keep the broader proceeding on schedule.

2) **Restrictions on imported Resource Adequacy.** On 9/6/19 the Commission released a Proposed Decision placing new restrictions on using imported capacity products for compliance with the Resource Adequacy program requirements. The idea behind the new requirements is the same one underpinning the PD discussed above in the IRP proceeding: prepare for the decommissioning of California’s OTC fossil fuel power plants and the loss of their contributions to grid reliability by shoring up supplies of capacity elsewhere in the system. If the PD passes, suppliers of imported RA would now be required to send energy into the California system during certain specified times of day regardless of wholesale market price, an approach inconsistent with the structure of CAISO’s wholesale energy markets and with CAISO’s authority to make dispatch decisions. CalCCA suggested substantial improvements to the new requirements in comments submitted 9/26, and the PD could be voted on as early as 10/10/19.

**Power Charge Indifference Adjustment (“PCIA”; R.17-06-026)**

The PCIA proceeding continues to unfold via three Commission-ordered stakeholder-led working groups, whose discussions are designed to inform Commission Decisions on each bucket of issues:

1) **Benchmarking, True-Ups, and Load Forecasting, Billing Determinants, and Bill Presentation.**

   On 9/6/19 the Commission released a Proposed Decision articulating how the updated Market Price Benchmark components for RPS and RA/capacity resources should be calculated going forward. CalCCA submitted comments highlighting areas where the PD diverged from the recommendations of the working group, so we are hoping for amendments before the PD goes before the Commission for voting on 10/10/19. These new methodologies are expected to be applied in calculating the 2020 PCIA over the next couple months.

2) **PCIA Prepayment.** Nothing new to report here; still waiting for scheduling of the next workshop on the topic.

3) **Portfolio Optimization.** This is the most controversial of the three at the moment, as it deals with redistributing the Investor-Owned Utilities’ (“IOUs”) excess resources directly rather than depending entirely on the PCIA to prevent cost shifts between CCA customers and bundled IOU customers. The working group has developed proposals for allocating GHG-free resources, RPS resources, and system and local RA resources from the IOUs’ excess portfolios on either a voluntary or mandatory basis (depending on which of the four categories you’re considering), which could result in SVCE receiving some valuable resources as early as 2020. Working Group 3 submitted its most recent progress report to the Commission on 9/26/19, and a workshop is
upcoming on 10/17/19. The Working Group 3 issues are not expected to receive a Proposed Decision until Q2 2020, so there is still substantial discussion and development of these proposals in the works.


Both PG&E’s 2020-2022 General Rate Case (A.18-12-009) and 2020 ERRA Forecast proceeding (A.19-06-001) held evidentiary hearings this month, and the Commission maintains its position that 2020 rates will be ready by the end of December. This seems likely to be pushed back given the challenges of implementing the new Market Price Benchmark components articulated in the PCIA Working Group 1 Proposed Decision (see above), but we have no official acknowledgement of that scenario yet. Elsewhere, PG&E’s 2018 ERRA Compliance proceeding (A.19-02-018) was closed on 9/25 after reaching a favorable settlement with CCAs on how to refund $141 million erroneously charged to the PCIA rather than the CAM between 2012 and 2018.

**Direct Access (“DA”; R.19-03-009)**

On 9/20/19 we got the first movement on Phase 2 of this SB 237 implementation proceeding. Phase 2 involves development of a study on the impacts and implications of fully reopening direct access for all nonresidential ratepayers in CA, and must be submitted to the state legislature in June 2020. The 9/20 Ruling asked for comment on the scope of issues that should be addressed in the study. CalCCA will be representing the CCA community in Phase 2 and submitted comments on 10/1/19.

**Legislative**

With the 2019 legislative session complete and no action items for the gubernatorial veto period, we have shifted our focus to planning for the 2020 session. This is taking place within both SVCE and the broader CCA community. A legislative ad hoc committee meeting is being scheduled for late October, and the Board will be presented with an updated version of SVCE’s legislative platform for approval in November. The Board already approved renewal of Aaron Read & Associates’ contract for the next fiscal year, so we look forward to working with our lobbying team there this fall to prepare for the 2020 session and the likely reappearance of key issues we dealt with this session.
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Item 3: SVCE Workshop – Outlining Policy Options and Providing Background Related to Carbon-free Power and SVCE Integrated Resource Plan Debrief

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Girish Balachandran, CEO

Date: 10/9/2019

This item will be addressed as an oral report to the Board.
Silicon Valley Clean Energy
Board of Directors Meeting

October 9, 2019

Appendix A

Power Resource Contracts Executed by CEO
MASTER POWER PURCHASE AND SALE AGREEMENT
CONFIRMATION LETTER
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY, A CALIFORNIA JOINT POWERS AUTHORITY
AND
SOUTHERN CALIFORNIA EDISON COMPANY

This Confirmation Letter including all appendices hereto ("Confirmation") confirms the Transaction between Silicon Valley Clean Energy Authority, a California Joint Powers Authority ("Buyer" or "Counterparty") and Southern California Edison Company ("Seller" or "SCE"), each individually a "Party" and together the "Parties", dated as of September 5, 2019 (the "Confirmation Effective Date") in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in this Confirmation, in the amounts described in this Confirmation. This Transaction is governed by the Edison Electric Institute ("EEI") Master Power Purchase and Sale Agreement between the Parties, effective as of February 7, 2019, along with the Cover Sheet, any amendments and annexes thereto (the "Master Agreement"), and including, the EEI Collateral Annex to the Master Agreement along with the Paragraph 10 to the Collateral Annex between the Parties (such Paragraph 10 and the Collateral Annex are referred to collectively herein as the "Collateral Annex") (the Master Agreement and the Collateral Annex shall be collectively referred to as the "EEI Agreement"). The EEI Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the EEI Agreement, or the CAISO Tariff (defined herein below). To the extent this Confirmation is inconsistent with any provision of the EEI Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder.

ARTICLE 1. TRANSACTION TERMS

1.1 Product; Elections

Buyer: Silicon Valley Clean Energy Authority, a California Joint Powers Authority

Seller: Southern California Edison Company

Flexible Capacity: ☑ Applicable
RA Capacity (Sell Confirmation)

☐ Not applicable

Product: The product, including the Capacity Attributes of the Unit(s), as defined in Appendix B, or Replacement Unit(s) provided in accordance with Section 2.3.

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

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

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

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

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

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

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

Confidential
RA Capacity (Sell Confirmation)

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1.6 **Contract Price**

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

**CONTRACT PRICE TABLE**

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<th>Showing Month, Year</th>
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**ARTICLE 2. DELIVERY OBLIGATIONS**

2.1 **Delivery of Product**

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

(a) Seller shall, on a timely basis, submit, or cause the Unit’s SC to submit, (i) Monthly Supply Plans and (ii) Annual Supply Plans if the Confirmation Effective Date is prior to the year-ahead Compliance Showing deadline applicable for the Showing Months as specified in Sections 1.4 and 1.5 herein, in accordance with the CAISO Tariff to identify and confirm the Expected Contract Quantity provided to Buyer for each day of each Showing Month so that the total amount of Expected Contract Quantity identified and confirmed for each day of such Showing Month equals the Expected Contract Quantity for such day of such Showing Month.
RA Capacity (Sell Confirmation)

(b) Seller shall or shall cause the Unit’s SC to submit written notification to Buyer, no later than fifteen (15) Business Days before the initial Compliance Showing deadline for each Showing Month, confirming that Buyer will be specified as the recipient of the Expected Contract Quantity for each day of such Showing Month in the Unit’s SC Supply Plan. For illustrative purposes only, as of the Confirmation Effective Date, the applicable Compliance Showing deadlines are as follows: (A) forty-five (45) days prior to the Showing Month covered by the Supply Plan for the Monthly Supply Plan; and (B) the last Business Day of October that is prior to commencement of the year for the Annual Supply Plan. The Parties acknowledge and agree that such dates may be modified by the CAISO from time to time throughout the Term.

(c) If Seller is delivering Product to Buyer from more than one Unit, Seller shall deliver such Product to Buyer from each Unit in accordance with the Contract Quantity Unit Allocation, as set forth in Appendix E; provided, Seller may modify the Contract Quantity Unit Allocation from time to time by providing email notice to Buyer’s Supply Plan contact, as set forth in Appendix F, no later than the initial Compliance Showing deadline for each Showing Month.

2.2 Adjustments to Contract Quantity

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

(a) Planned Outages: Seller’s obligation to deliver the Contract Quantity for each day of each Showing Month may be reduced at Seller’s option by the amount of any Planned Outages which exist with respect to any portion of the Unit during the applicable Showing Month for the applicable days of such Planned Outages; provided, (i) Seller notifies Buyer, no later than fifteen (15) Business Days before the initial deadline for the Compliance Showing applicable to that Showing Month, of the amount of Product from the Unit Buyer is permitted to include in Buyer’s Compliance Showings applicable to that month as a result of such Planned Outage, and (ii) such reduction is able to be reflected on the Supply Plans in accordance with the CAISO Tariff.

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RA Capacity (Sell Confirmation)

(b) Reductions in Unit NQC and Unit EFC: Seller’s obligation to deliver the applicable Contract Quantity for each Showing Month may also be reduced in the event the Unit experiences a reduction in Unit NQC or Unit EFC after the Confirmation Effective Date as determined by the CAISO. In the event the Unit experiences such a reduction in Unit NQC or Unit EFC, Seller has the option, but not the obligation, to provide the applicable Contract Quantity for such Showing Month from (i) the same Unit, provided the Unit has sufficient remaining and available Product or (ii) from Replacement Units, provided, that in each case Seller provides and identifies such Replacement Units in accordance with Section 2.3.

2.3 Seller’s Option To Provide Substitute Capacity

If Seller is unable to provide the full Contract Quantity in accordance with Section 2.2 for any Showing Month for any reason, or Seller desires to provide the Contract Quantity for any Showing Month from a different generating unit other than the Unit, then Seller may, at no cost to Buyer, provide Buyer with replacement Product from one or more Replacement Units in an amount such that the total amount of Product provided to Buyer from the Unit and Replacement Units for each day of the Showing Month is not more than the Contract Quantity in accordance with Section 2.2 for the applicable Showing Month, provided that in each case:

(a) Seller shall notify Buyer of its intent to provide replacement Product and identify like-for-like replacement units similar to the Unit originally identified in Appendix B and that otherwise that satisfy the requirements of this Agreement ("Replacement Units"), meeting the above Contract Quantity requirements no later than fifteen (15) Business Days before the initial deadline for Buyer’s Compliance Showing related to such Showing Month;

(b) Seller shall, or shall cause the Unit’s SC to submit a Monthly Supply Plan and an Annual Supply Plan, as applicable, that includes the Replacement Units, in accordance with the CAISO Tariff, no later than fifteen (15) Business Days before the initial Compliance Showing deadline for the applicable Showing Month;

(c) if Seller does not comply with the requirements of Sections 2.3(a) and (b) for the applicable Showing Month, then any such Replacement Units shall not be deemed a Unit for purposes of this Confirmation for that Showing Month and Seller shall not receive payment for such replacement Product.

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

2.4 **Damages for Failure to Provide Capacity**

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

(a) Buyer may, but shall not be required to, replace all or any portion of the Replacement Obligation for the applicable Showing Month with capacity having equivalent Capacity Attributes as the Expected Contract Quantity; provided, if, using commercially reasonable efforts, Buyer is unable to acquire capacity having equivalent Capacity Attributes for any portion of any Showing Month, Buyer may replace such portion of the Replacement Obligation with capacity having Capacity Attributes in excess of the Contract Quantity (the “Replacement Capacity”). Buyer may enter into purchase transactions with one or more parties to purchase Replacement Capacity. Additionally, Buyer may enter into one or more arrangements to repurchase its obligation to sell and deliver capacity to another party, and such arrangements shall be considered the procurement of Replacement Capacity. Buyer shall act in a commercially reasonable manner to minimize damages in procuring any Replacement Capacity.

(b) Seller shall pay to Buyer at the time set forth in Section 4.1 of the Master Agreement, the following damages in lieu of damages specified in Section 4.1 of the Master Agreement: an amount equal to the positive difference, if any, between (i) the sum of (A) the actual cost paid by Buyer for any Replacement Capacity, including any transaction costs and expenses incurred in connection with such procurement, plus (B) each applicable Replacement Capacity Price multiplied by the aggregate amount of Replacement Obligation neither provided by Seller as Substitute Capacity nor purchased by Buyer as Replacement Capacity, for all applicable portions of the applicable Showing Month pursuant to Section 2.4(a), and (ii) the Replacement Obligation minus the Substitute Capacity, not provided for all applicable portions of the applicable Showing Month times the Contract Price for that month. Buyer’s invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount and shall include supporting documentation.

2.5 **Indemnities for Failure to Deliver Expected Contract Quantity**

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

(a) Seller’s failure to provide any portion of the Expected Contract Quantity for any portion of the Delivery Period;

Confidential
RA Capacity (Sell Confirmation)

(b) Seller’s failure to provide notice of the non-availability of any portion of the Expected Contract Quantity for any portion of the Delivery Period as required under Section 2.2;

(c) Seller’s or the Unit’s SC’s failure to timely submit Supply Plans that identify Buyer’s right to the Expected Contract Quantity for each Unit purchased hereunder for each day of the Delivery Period; or

(d) Seller’s or the Unit’s SC’s failure to submit accurate Supply Plans that identify Buyer’s right to the Expected Contract Quantity for each Unit purchased hereunder for each day of the Delivery Period.

(e) any other failure by Seller to perform its obligations under this Confirmation.

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

2.6 Buyer’s Re-Sale of Product

Buyer may re-sell all or a portion of the Product and any associated rights, in each case, acquired under this Confirmation, in accordance with Applicable Laws and CPUC Decisions (“Resold Product”); provided, with respect to Resold Product that includes the sale of Capacity Attributes that impact Seller’s obligations under this Confirmation, Buyer agrees to: (a) notify Seller that such a sale has occurred; (b) provide Seller with the information described in Appendix D; (c) notify Seller of any subsequent changes to the information in Appendix D with respect to any particular sale; in each case promptly following such sale and in no event later than the initial Compliance Showing deadline for each Showing Month. Subject to Article 6 below, Seller agrees, and agrees to cause the Unit’s SC, to: (i) follow Buyer’s instructions with respect to providing such Resold Product to subsequent purchasers of such Resold Product; and (ii) take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to allow such subsequent purchasers to use such Resold Product.

Seller acknowledges and agrees that with respect to any Resold Product, if Buyer incurs any liability to any purchaser of such Resold Product due to the failure of Seller or the Unit’s SC to comply with the terms of this Confirmation, and Seller would have had liability to Buyer under this Confirmation for such failure had Buyer not sold the Resold Product to a subsequent purchaser, then Seller shall be liable to Buyer under this Confirmation, including without limitation, pursuant to Sections 2.4 and 2.5, for the amounts it would have been liable to Buyer for had such Resold Product not been sold to a subsequent purchaser. Buyer acknowledges and agrees that with respect to any Resold Product, if Seller incurs
any liability to any purchaser of such Resold Product due to the failure of Buyer to comply with the terms of this Confirmation, and Buyer would have had liability to Seller under this Confirmation for such failure had Buyer not sold the Resold Product to a subsequent purchaser, then Buyer shall be liable to Seller under this Confirmation for the amounts it would have been liable to Seller for had such Resold Product not been sold to a subsequent purchaser.

2.7 CAISO Offer Requirements

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

2.8 Unit SC’s Replacement Obligation

After the obligation to replace all or any portion of the Expected Contract Quantity transfers from the load serving entity to the Unit’s SC for a Showing Month in accordance with the CAISO Tariff, and if the CAISO determines that any portion of the Expected Contract Quantity for any portion of a Showing Month that was shown by Buyer in its Compliance Showings requires outage replacement in accordance with Section 40.9.3.6 of the CAISO Tariff because the Unit, or Replacement Unit, as applicable, is scheduled to take an outage (planned or otherwise) (such amount requiring outage replacement, the “SC Replacement Capacity”), then: (a) Seller shall have no liability under Sections 2.4 or 2.5 with respect to such SC Replacement Capacity; and (b) Seller shall have no liability to Buyer for any costs that are allocated to Buyer by the CAISO for any CPM Capacity procured by the CAISO pursuant to the Capacity Procurement Mechanism and that are related to such SC Replacement Capacity. For illustrative purposes only, as of the Confirmation Effective Date, the obligation to replace all or any portion of the Expected Contract Quantity transfers from the load serving entity to the Unit’s SC twenty two (22) days prior to the Showing Month covered by the Supply Plan for the Monthly Supply Plan. The Parties acknowledge and agree that such date may be modified by the CAISO from time to time throughout the Term.
ARTICLE 3. PAYMENT

3.1 Monthly Payment

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

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

where:

\[A = \text{applicable Contract Price for that Showing Month}\]
\[B = \sum_{i}^{n} [(C_{i}) \times ( \frac{1}{n})] \]
\[C = \text{The amount of Contract Quantity of Product actually delivered by Seller to Buyer pursuant to and consistent with Section 2.1 and, if applicable, Section 2.3, for the applicable day of the Showing Month}\]
\[i = \text{Each day of Showing Month}\]
\[n = \text{number of days in the Showing Month}\]

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

3.2 Allocation of Other Payments and Costs

(a) Seller shall retain any revenues it may receive from and pay all costs charged by the CAISO or any other third party with respect to the Unit for (i) start-up, shutdown, and minimum load costs, (ii) energy sales, and (iii) any revenues for black start or reactive power services.

(b) Buyer shall be entitled to receive and retain all revenues associated with the Aggregate Contract Quantity (including any capacity revenues from RMR Contracts for the Unit, Capacity Procurement Mechanism or its successor, RUC Availability Payments, or its successor, but excluding payments described in Section 3.2(a)(i)-(iii)). To the extent permitted by the CAISO Tariff, Seller shall, or shall cause each Unit's SC to, submit RUC Availability Bids for the Expected Contract Quantity for each Unit for each hour of the Delivery Period at a bid price of Zero Dollars ($0) per MW per hour, regardless of whether each Unit is shown on a Supply Plan for the applicable Showing Month.

(c) In accordance with Section 3.1 of this Confirmation and Article Six of the Master Agreement,
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(i) all such Buyer revenues described in this Section 3.2, but received by Seller, or a Unit’s SC, owner, or operator shall be remitted to Buyer, and Seller shall pay such revenues to Buyer if the Unit’s SC, owner, or operator fails to remit those revenues to Buyer. If Seller fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues pursuant to Article Six of the Master Agreement against any future amounts Buyer may owe to Seller. In order to verify the accuracy of such revenues, Buyer shall have the right, at its sole expense and during normal working hours after reasonable prior notice, to hire an independent third party reasonably acceptable to Seller to audit any documents, records or data of Seller associated with the Contract Quantity; and

(ii) all such Seller, or a Unit’s SC, owner, or operator revenues described in this Section 3.2, but received by Buyer shall be remitted to Seller. If Buyer fails to pay such revenues to Seller, Seller may offset any amounts owing to it for such revenues pursuant to Article Six of the Master Agreement against any future amounts it may owe to Buyer.

(d) If a centralized capacity market develops within the CAISO region, Buyer will have exclusive rights to offer, bid, or otherwise submit the applicable Contract Quantity of Product for each day of each Showing Month provided to Buyer pursuant to this Confirmation for re-sale in such market, and retain and receive any and all related revenues.

(e) Seller agrees that the Unit is subject to the terms of the Availability Standards, Non-Availability Charges, and Availability Incentive Payments as contemplated under Section 40.9 of the CAISO Tariff. Furthermore, the Parties agree that any Availability Incentive Payments are for the benefit of the Seller and for Seller’s account and that any Non-Availability Charges are the responsibility of the Seller and for Seller’s account.

3.3 Offset Rights

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

ARTICLE 4. OTHER BUYER AND SELLER COVENANTS

4.1 Seller’s and Buyer’s Duty to Take Action to Allow the Utilization of the Product
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Buyer and Seller shall, throughout the Delivery Period: (a) cause the required showing information listed in Appendix C to be included in all applicable Supply Plans; (b) execute any and all documents or instruments reasonably necessary to ensure Buyer's right to the use of the Aggregate Contract Quantity for the sole benefit of Buyer or any subsequent purchaser under Section 2.6; and (c) cause all Supply Plans to be filed in conformance with the requirements of the CPUC Filing Guide and the CAISO Tariff. If during the Delivery Period, there are changes to the information included in Appendix C, the Parties agree to communicate such changes to each other promptly. The Parties further agree to negotiate in good faith to make necessary amendments, if any, to this Confirmation to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, CAISO or other Governmental Authority having jurisdiction to administer Compliance Obligations, so as to maintain the benefits of the bargain struck by the Parties on the Confirmation Effective Date.

4.2 Seller's Representations, Warranties and Covenants

(a) Seller represents, warrants and covenants to Buyer that, throughout the Delivery Period:

(i) Seller owns or has the exclusive right to the Product sold under this Confirmation from the Unit, and shall furnish Buyer, CAISO, CPUC or other Governmental Authority with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;

(ii) No portion of the Aggregate Contract Quantity has been committed by Seller to any third party in order to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets, other than pursuant to an RMR Contract between the CAISO and either Seller or the Unit's owner or operator;

(iii) Seller shall comply with Applicable Laws relating to the Product;

(iv) (A) Seller shall, and shall cause the Unit's SC to promptly (and in any event within one (1) Business Day of the time Seller receives notification from the CAISO) notify Buyer in the event the CAISO designates any portion of the Aggregate Contract Quantity as CPM Capacity and (B) in the event the CAISO makes such a designation Seller shall, and shall cause the Unit's SC to not accept any such designation by the CAISO unless and until Buyer has agreed to accept such designation;

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

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

(vii) Seller shall cause the Unit's SC, owner and operator to comply with Applicable Laws relating to the Product;

(viii) Buyer shall have no liability for the failure of Seller or the failure of the Unit's SC, owner, or operator to comply with such CAISO Tariff provisions, including any penalties, charges or fines imposed on Seller or the Unit's SC, owner, or operator for such noncompliance.

(ix) If Seller is the owner of the Unit, the aggregation of all amounts of Capacity Attributes that Seller has sold, assigned or transferred for the Unit does not exceed the Unit NQC or Unit EFC for that Unit;

(x) Seller has notified the SC of the Unit that Seller has transferred the Contract Quantity, including the amount of Flexible Capacity and Inflexible Capacity, to the extent applicable, with respect to each day of each Showing Month to Buyer, and the SC is obligated to deliver the Supply Plans in accordance with the CAISO Tariff and this Confirmation;

(xi) Seller has notified the SC of the Unit that Seller is obligated to cause the Unit's SC to provide to the Buyer, at least fifteen (15) Business Days before the initial deadline for each Compliance Showing, the applicable Expected Contract Quantity of the Unit for each day of such Showing Month, including the amount of Flexible Capacity and Inflexible Capacity, to the extent applicable, that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and

(xii) Seller has notified the Unit's SC that Buyer is entitled to the revenues set forth in Section 3.2, and such SC is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

(b) If the Parties have designated Flexible Capacity as "Applicable", then the following representation and warranty shall apply to Seller throughout the Delivery Period:
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(i) If Seller is the owner of the Unit, the aggregation of all amounts of Capacity Attributes that Seller has sold, assigned or transferred for the Unit and which are eligible to satisfy a load serving entity’s Flexible RAR, does not exceed the Unit EFC for that Unit.

(c) Seller represents, warrants and covenants to Buyer that, as of the Confirmation Effective Date, all of the information set forth on Appendix B hereto is true, correct and complete.

(d) If the Parties have designated Flexible Capacity as “Applicable”, then Seller represents, warrants and covenants to Buyer that, as of the Confirmation Effective Date, the CAISO has given the Unit the Unit EFC set forth on Appendix B hereto.

ARTICLE 5. CONFIDENTIALITY

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

ARTICLE 6. HOLDBACK AND SUBSTITUTE CAPACITY

No later than five (5) Business Days before the deadline for the initial Compliance Showing deadline with respect to a particular Showing Month, Buyer may request that Seller not list, or cause the Unit’s SC not to list, a portion or all of a Unit’s applicable
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Expected Contract Quantity for any portion(s) of such Showing Month on the Supply Plan. The amount of Expected Contract Quantity that is the subject of such a request shall be deemed Expected Contract Quantity provided consistent with Section 2.1 for purposes of calculating a Monthly Payment pursuant to Section 3.1 and calculating any amounts due pursuant to Section 2.4 or 2.5. Seller shall, or shall cause the Unit’s SC to, comply with Buyer’s request under this Article 6.

ARTICLE 7. MARKET BASED RATE AUTHORITY

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

ARTICLE 8. COLLATERAL REQUIREMENTS

8.1 Counterparty Collateral Requirements

Notwithstanding anything to the contrary contained in the EEI Agreement, Counterparty shall provide to, and maintain with, SCE a Full Floating Independent Amount as long as Counterparty or its Guarantor, if any, does not maintain Credit Ratings of at least (a) BBB- from S&P and Baa3 from Moody’s, if such entity is rated by the Ratings Agencies, or (b) BBB- by S&P or Baa3 by Moody’s if such entity is rated by only one Ratings Agency. The Full Floating Independent Amount shall be equal to Twenty Six Thousand Two Hundred Fifty Dollars ($26,250.00). Commencing after the initial Compliance Showing deadline of the first Showing Month of the Delivery Period, and for each initial Compliance Showing deadline during the Delivery Period thereafter, the Full Floating Independent Amount shall be reduced to twenty percent (20%) of the sum of the FFIA Monthly Payments for the Next Showing Month and all remaining months of the Delivery Period. For the purposes of calculating the Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, the Full Floating Independent Amount for Counterparty shall be added to the Exposure Amount for SCE and subtracted from the Exposure Amount for Counterparty.

For the purposes of calculating Exposure, the Monthly Payment shall be deemed accrued and payable upon the initial Compliance Showing deadline for the applicable Showing Month.

8.2 Current Mark-To-Market Value

The Parties further agree that for the purposes of calculating the Collateral Requirement pursuant to Paragraph 3 of the Collateral Annex, the Current Mark-
RA Capacity (Sell Confirmation)

to-Market Value for this Transaction is deemed to be zero. If at any time prior to the expiration of the Delivery Period, a liquid market for a resource adequacy Capacity product develops wherein price quotes for such a product can be obtained, the Parties agree to amend the Confirmation to include a methodology for calculating the Current Mark-to-Market Value for this Transaction.

8.3 Credit Terms

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

ARTICLE 9. OTHER

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

The Parties shall determine the Settlement Amount for this Transaction in accordance with Section 5.2 of the Master Agreement, provided that, with respect to this Transaction only, the following language is added at the end of Section 5.2 of the Master Agreement, with any terms which are defined in this Confirmation being used in the Master Agreement with the definitions given to such terms in this Confirmation:

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

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

SILICON VALLEY CLEAN ENERGY AUTHORITY,

a California joint powers authority.

By: [Signature]
Girish Balachandran
Chief Executive Officer

Date: 9/4/19

SOUTHERN CALIFORNIA EDISON COMPANY,

a California corporation.

By: [Signature]
Gus Flores
Principal Manager, Contract Origination

Date: 9/5/2019

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APPENDIX A

DEFINED TERMS

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

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

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

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

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

"Availability Standards" has the meaning set forth in the CAISO Tariff.

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

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

"CAISO Control Area" has the meaning set forth in the CAISO Tariff.

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

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

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

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

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

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

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

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

“Compliance Obligations” means the RAR and Local RAR.

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

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

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

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

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

“Contract Quantity Unit Allocation” means, if Seller is delivering Product to Buyer from more than one Unit, the allocation of Contract Quantity Seller will deliver from each Unit, as set forth in Appendix E and as modified by Seller from time to time in accordance with Section 2.1(c).
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“Cover Sheet” has the meaning specified in the introductory paragraph of this Confirmation.

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

“CPUC” means the California Public Utilities Commission.

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

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

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

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

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

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

“Expected Contract Quantity” means, with respect to any particular day of any Showing Month of the Delivery Period, the Contract Quantity of Product for such day of such Showing Month, including the amount of Contract Quantity of Product that Seller has elected to provide Substitute Capacity for such day, and after giving effect to any reductions to Contract Quantity for such day as specified in Section 2.2 with respect to which Seller has not elected to provide Substitute Capacity.

“FFIA Monthly Payment” shall be the Monthly Payment calculated using the Contract Quantity rather than the Expected Contract Quantity, such that variable C in the formula for Monthly Payment shall be as follows: C = the Contract Quantity of Product for each applicable day of the Showing Month.

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

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

“Independent Evaluator” has the meaning set forth in CPUC Decision 04-12-048.
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"Local Capacity Area" has the meaning set forth in the CAISO Tariff.

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

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

"Monthly Payment" has the meaning specified in Section 3.1.

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

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

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

"Next Showing Month" means the next calendar month for which a Compliance Showing will be made.

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

"North" means north of Path 26.

"Path 26" has the meaning set forth in the CAISO Tariff.

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

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

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

(b) any change by the CAISO, CPUC or other Governmental Authority that defines new or re-defines existing Local Capacity Areas that results in a decrease or increase in the amount of Capacity Attributes related to a Local
RA Capacity (Sell Confirmation)

Capacity Area provided hereunder will not result in a change in payments made pursuant to this Transaction; and

(c) the Parties agree that, under this Confirmation, if the CAISO, CPUC or other Governmental Authority defines new or re-defines existing Local Capacity Areas whereby the Unit subsequently qualifies for a Local Capacity Area, the Product shall include all Capacity Attributes related to such Local Capacity Area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Decisions in effect as of the Confirmation Effective Date, the monthly Compliance Showing made in June is for the Showing Month of August.

"South" means south of Path 26.

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

"Supply Plan" has the meaning set forth in the CAISO Tariff.

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

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

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

ADDITIONAL DEFINED TERMS

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

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

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

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

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(b) resource adequacy attributes or other locational attributes for the Unit related to a Local Capacity Area, as may be identified from time to time by the CPUC, CAISO or other Governmental Authority having jurisdiction, associated with the physical location or point of electrical interconnection of the Unit within the CAISO Control Area, that can be counted toward a Local RAR;

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

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

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

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

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

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

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

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

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

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

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

(b) any change by the CAISO, CPUC or other Governmental Authority that defines new or re-defines existing Local Capacity Areas that results in a decrease or increase in the amount of Capacity Attributes related to a Local Capacity Area provided hereunder will not result in a change in payments made pursuant to this Transaction;

(c) any change by the CAISO, CPUC or other Governmental Authority that defines new or re-defines existing Flexible RAR, Capacity Attributes related to Flexible RAR, or attributes of the Unit related to Flexible RAR, that results in a decrease or increase in the amount of Capacity Attributes related to Flexible RAR provided hereunder will not result in a change in payments made pursuant to this Transaction;

(d) the Parties agree that, under this Confirmation, if the CAISO, CPUC or other Governmental Authority defines new or re-defines existing Local Capacity Areas whereby the Unit subsequently qualifies for a Local Capacity Area, the Product shall include all Capacity Attributes related to such Local Capacity Area; and

(e) the Parties agree that, under this Confirmation, if the CAISO, CPUC or other Governmental Authority defines new or re-defines existing Flexible RAR, Capacity Attributes related to Flexible RAR, or attributes of the Unit related to Flexible RAR whereby the Unit, or a portion of the Unit which did not previously qualify to satisfy Flexible RAR, subsequently qualifies to satisfy Flexible RAR, the Product shall include all Capacity Attributes of the Unit related to Flexible RAR, including any Capacity Attributes related to Flexible RAR with respect to any portion of the Unit which previously was not able to satisfy Flexible RAR.

“Unit EFC” means the Effective Flexible Capacity (in MWs) of the Unit. The Parties agree that if the CAISO adjusts the Effective Flexible Capacity of a Unit after the Confirmation Effective Date, then for the period in which the adjustment is effective, the Unit EFC shall be deemed the lesser of (i) the Unit EFC as of the Confirmation Effective Date, or (ii) the CAISO-adjusted Effective Flexible Capacity.
### APPENDIX B
UNIT INFORMATION

<table>
<thead>
<tr>
<th>Unit Name</th>
<th>MOSS LANDING POWER BLOCK 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAISO Resource ID</td>
<td>MOSSLD_2_PSP1</td>
</tr>
<tr>
<td>Unit NQC (MW as of the Confirmation Effective Date by month)</td>
<td>510.00</td>
</tr>
<tr>
<td>If Flexible Capacity is designated as applicable in Section 1.1, Unit EFC (MW, as of the Confirmation Effective Date by month)</td>
<td>368.98</td>
</tr>
<tr>
<td>Resource Type</td>
<td>Thermal</td>
</tr>
<tr>
<td>Resource Category (1, 2, 3 or 4)</td>
<td>4</td>
</tr>
<tr>
<td>Unit EFC Category (1, 2, or 3): N/A</td>
<td>1</td>
</tr>
<tr>
<td>Path 26 (North, South or None)</td>
<td>North</td>
</tr>
<tr>
<td>Local Capacity Area (if any, as of Confirmation Effective Date)</td>
<td>N/A</td>
</tr>
</tbody>
</table>
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APPENDIX C
SUPPLY PLAN INFORMATION

Benefitting load serving entity SCID: SVC1
APPENDIX D
SUBSEQUENT SALE INFORMATION

Contract Key ID: 

Subsequent sale contract quantity (in MW): 

Subsequent sale delivery period: 

Amount of Inflexible Capacity included in Volume: 

New Benefitting load serving entity SC identification number: 

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**RA Capacity (Sell Confirmation)**

**APPENDIX E**

**CONTRACT QUANTITY UNIT ALLOCATION**

<table>
<thead>
<tr>
<th>Showing Month, Year</th>
<th>Unit 1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Contract Capacity (MW)</td>
</tr>
</tbody>
</table>

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APPENDIX F
SUPPLY PLAN CONTACT INFORMATION

Buyer’s Supply Plan contact information:

Buyer’s Supply Plan name: Mark Thomas
Buyer’s Supply Plan email: mthomas@acespower.com
Buyer’s Supply Plan phone number: (317) 344-7136

Seller’s Supply Plan contact information:

Seller’s Supply Plan name: Angelica Sindelar
Seller’s Supply Plan email: angelica.sindelar@sce.com
Seller’s Supply Plan phone number: 626-302-9576
MASTER POWER PURCHASE AND SALE AGREEMENT
RESOURCE ADEQUACY CONFIRMATION LETTER
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority
(“PARTY A”)
AND
Pacific Gas and Electric Company, a California corporation, limited for all purposes
hereunder to its Electric Procurement and Electric Fuels Functions (“PARTY B”)

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

ARTICLE 1
TRANSACTION TERMS

Buyer: Party A

Seller: Party B

Product: The Product is the Capacity Attributes of the Unit(s) as defined in Appendix B; provided that if Buyer does not specify the Local Capacity Area in Appendix B, when applicable, then Seller may provide Local RAR from any Local Capacity Area in the Seller’s local areas. The Product does not include any right to the energy or ancillary services of the Unit(s).

Delivery Period: [Redacted]

Contract Quantity and Contract Price: The Contract Quantity and Contract Price for each day of each Showing Month during the Delivery Period shall be set forth in Appendix B.

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Firm RA Product

Seller’s obligation to deliver the Contract Quantity of Product for each day included in the Delivery Period is firm and will not be excused for any reason.
2.2 **Seller To Identify Shown Unit**

(a) Seller shall identify the Shown Unit(s) that meet the Product characteristics and Contract Quantity specified in Appendix B by providing Buyer with the specific Unit information no later than:

(i) Fifteen (15) calendar days before the relevant deadlines for the corresponding Compliance Showings applicable to the relevant Showing Month, if the Confirmation Effective Date is at least fifteen (15) calendar days before such Compliance Showing deadline; or

(ii) One (1) business day from the Confirmation Effective Date if the Confirmation Effective Date is less than fifteen (15) calendar days from the Compliance Showing. Section 2.3 of this Confirmation does not apply when the Confirmation Effective Date is within fifteen (15) calendar days of the Compliance Showing.

(b) The Shown Unit should not have characteristics that would trigger the need for Buyer or Seller to file an Advice Letter to the CPUC.

(c) Seller’s notice under this Section 2.2 shall be deemed acceptable to and approved by Buyer upon receipt, unless Buyer, within three (3) Business Days of receipt of Seller’s notice and in writing, notifies Seller of any objections Buyer has to the proposed Shown Unit. If Buyer timely objects, Seller must identify another Shown Unit within five (5) Business Days. Provided such Shown Unit meets the requirements of this Confirmation, this second Shown Unit shall be deemed acceptable to and approved by Buyer upon receipt. This section does not apply if the Confirmation Effective Date is within fifteen (15) calendar days of the relevant Compliance Showing deadline.

(d) Once the Shown Unit designated by Seller is approved or deemed approved in accordance with Section 2.2(c), then any such Shown Unit will be automatically deemed the Unit from which the Product is delivered for purposes of this Confirmation for the affected Showing Month.

2.3 **Seller To Provide Alternate Capacity**

(a) If Seller desires to provide the Contract Quantity for any Showing Month during the Delivery Period from a different Unit other than the Shown Unit as designated in Section 2.2, then Seller may, at no additional cost to Buyer, provide Buyer with Product from one (1) or more Alternate Units in an amount such that the total amount of Product provided to Buyer from the Unit and Alternate Units for the Showing Month during the Delivery Period is equal to the Contract Quantity for the Delivery Period.

(b) If Seller desires to provide Product from an Alternate Unit under Section 2.3(a), Seller must notify Buyer of its intent to provide Product from an Alternate Unit and identify the proposed Alternate Unit meeting the Product characteristics specified
in Appendix B no later than five (5) calendar days before the relevant deadlines for the submission of Compliance Showings related to the applicable Showing Month. Seller’s notice under this Section 2.3(b) shall be deemed acceptable to and approved by Buyer upon receipt, unless Buyer, within one (1) Business Day of receipt of Seller’s notice and in writing, notifies Seller of any objections Buyer has to the proposed Alternate Unit. If Buyer timely objects, Seller must identify another Alternate Unit within two (2) Business Days. Provided such Alternate Unit meets the requirements of a Shown Unit under this Confirmation, this second Alternate Unit is deemed acceptable to and approved by Buyer upon receipt.

(c) Once the Alternate Unit is approved or deemed approved in accordance with Section 2.3(b), then any such Alternate Unit will be automatically deemed the Unit from which Product is delivered for purposes of this Confirmation for the affected Showing Month.

2.4 Delivery of Product

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

(i) Seller shall, on a timely basis with respect to each applicable Showing Month, submit, or cause the Unit’s Scheduling Coordinator to submit, Supply Plans in accordance with the Tariff to identify and confirm the Product provided to Buyer for each day of such Showing Month that is included in the Delivery Period so that the total amount of Product identified and confirmed for each such day of such Showing Month equals the Contract Quantity for such day of such Showing Month.

(ii) Seller will be deemed to have delivered the Product on each day to the extent that Buyer receives credit from CAISO for such day for Product identified and confirmed in the Supply Plan submitted for the Unit.

(iii) Hold-Back Capacity, if any, is deemed Contract Quantity delivered, unless utilized under Article 7 as Substitute Capacity, then Contract Quantity is delivered according to the timeline requirements therein.

(b) In accordance with Sections 2.2 and 2.3 and subject to Article 7, Seller shall to the extent required by CAISO or the CPUC rules cause the information listed in Appendix B to be included in all applicable Supply Plans and shall cause all Supply Plans to be filed in conformance with the requirements of the CPUC Filing Guide and the Tariff. In addition, if during the Delivery Period, there are changes to the information included in Appendix B, the Parties agree to communicate such changes to each other promptly.
2.5 **Damages for Failure to Provide Capacity**

If Seller fails to deliver to Buyer the Contract Quantity of Product for any day during the Delivery Period in accordance with Section 2.4 then with respect to each Showing Month, Seller is liable for damages pursuant to Section 4.1 of the Master Agreement, and provided that Buyer has prepaid for the Contract of Quantity in accordance with Section 3.1, Seller shall pay to Buyer the following:

For each applicable day during the Showing Month included in the Delivery Period in which the Buyer’s Monthly Payment has been received by Seller in accordance with Section 3.1 of this Confirmation only, the amount equal to (w) the applicable Contract Price divided by (x) the number of days included in the Showing Month multiplied by (y) the amount of Contract Quantity not delivered by Seller on such day, multiplied by (z) 1,000 kW per MW.

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

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

(i) Seller’s failure to deliver any portion of the Contract Quantity of Product for any portion of the Delivery Period and such failure results in the imposition of penalties, fines or costs assessed against Buyer; or

(ii) A Unit’s Scheduling Coordinator’s failure to timely or accurately submit Supply Plans in accordance with the applicable Tariff that identify Buyer’s right to the Contract Quantity purchased hereunder for each day of the Delivery Period.

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

2.7 **Buyer’s Re-Sale of Product**

(a) Buyer may re-sell all or a portion of the Product purchased under this Confirmation (“Resold Product”); provided that such re-sell right does not include the ability to offer any portion of Product into the CSP. If Buyer re-sells Product, Seller agrees, and agrees to cause the Unit’s Scheduling Coordinator, to follow Buyer’s instructions with respect to providing such Resold Product to subsequent purchasers of such Resold Product to the extent such instructions are consistent with Seller’s obligations under this Confirmation. Seller further agrees, and agrees to cause the Unit’s Scheduling Coordinator, to take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to allow such subsequent purchasers to use such Resold Product in a manner consistent with Buyer’s rights under this Confirmation. If Buyer incurs any liability...
to any subsequent purchaser of such Resold Product due to the failure of Seller or
the Unit's Scheduling Coordinator to comply with the terms of this Confirmation,
then Seller shall be liable to Buyer for any liabilities Seller would have incurred
under this Confirmation if Buyer had not resold the Product, including without
limitation, pursuant to Sections 2.5 and 2.6.

(b) If Buyer exercises its right to re-sell the Product, Buyer shall notify Seller in writing
that such sale has occurred by providing to Seller the information described in
Appendix C ("Re-sale Plan"). The Re-sale Plan shall be provided no later than three
(3) Business Days before the deadline for the Compliance Showings applicable to
the relevant Showing Month, except where Buyer exercises its rights under Article
7, then Buyer shall notify Seller in accordance with deadlines described in Article
7. Buyer shall notify Seller of any subsequent changes or further resale of the
Resold Product, and such notice shall include all updates to the information in
Appendix C in accordance with the deadlines described in this Section 2.7(b).

ARTICLE 3
PAYMENT

3.1 Monthly Payment

Buyer shall make a payment (a "Monthly Payment") to Seller, for the applicable Showing Month,
as follows:

\[ Monthly \ Payment = Q \times P \times CF \]

where:

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

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

If the Confirmation Effective Date is more than fifteen (15) calendar days prior to the deadline for
the corresponding Compliance Showing applicable to the relevant Showing Month, payment shall
be paid by Buyer and received by Seller no later than fifteen (15) calendar days prior to the
deadlines for the corresponding Compliance Showings applicable to the Showing Month. If the
Confirmation Effective Date is fifteen (15) calendar days or less from the deadline for the
corresponding Compliance Showing applicable to the relevant Showing Month, the Monthly
Payment shall be made by Buyer and received by Seller no later than five (5) Business days
following the Confirmation Effective Date.
3.2 **Allocation of Other Payments and Costs**

(a) Seller is entitled to retain any revenues it may receive from, and shall pay all costs charged by, CAISO or any other third party with respect to the Unit for (i) start-up, shutdown, and minimum load costs, (ii) capacity revenue for ancillary services, (iii) energy sales, (iv) revenue for flexible ramping product, and (v) any revenues for black start or reactive power services. All Seller revenues described in this Section 3.2(a) and received by Buyer or a purchaser of Resold Product must be remitted to Seller and Buyer shall pay such revenues to Seller if received by Buyer or if a subsequent purchaser of Resold Product fails to remit those revenues to Seller.

If Buyer fails to pay such revenues to Seller, Seller may recoup any amounts owing to it for such revenues against any future amounts it may owe to Buyer.

Seller shall indemnify, defend and hold Buyer harmless from and against all liabilities, damages, claims, losses, costs or expenses (including, without limitation, attorneys’ fees) incurred by or brought against Buyer in connection with Environmental Costs.

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

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

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

**ARTICLE 4**

**CAISO OFFER REQUIREMENTS**

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

ARTICLE 5
OTHER BUYER AND SELLER COVENANTS

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

Buyer and Seller shall, throughout the Delivery Period, take commercially reasonable actions (including the execution of documents or instruments) reasonably necessary to ensure Buyer’s right to the use of the Contract Quantity on each day during the Delivery Period for the sole benefit of Buyer or any applicable subsequent purchaser pursuant to Section 2.7. The Parties shall make commercially reasonable changes to this Confirmation necessary to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, CAISO or other Governmental Body having jurisdiction to administer Compliance Obligations, with regard to the following proceedings: (a) the Resource Adequacy (RA) Order Instituting Rulemaking (OIR) (Rulemaking (R.)17-09-020) at the CPUC; (b) the RA Enhancements stakeholder initiative at the CAISO; (c) the Integrated Resource Plan OIR (R.16-02-007) at the CPUC; (d) the Power Charge Indifference Adjustment (PCIA) OIR (R.17-06-026) at the CPUC.

5.2 Representations, Warranties and Covenants

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

(i) no portion of the Contract Quantity for any day during the Delivery Period has been committed by Seller to any third party in order to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets;

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

(iii) each Unit’s Scheduling Coordinator, owner and operator is obligated to comply with applicable laws, including the Tariff, relating to the Product;

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

(v) Seller has notified either the Scheduling Coordinator of the Unit or the entity from which Seller purchased the Product of the fact that Seller has transferred the Contract Quantity for each day of the Delivery Period to Buyer, or, if applicable, to a subsequent purchaser.

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

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

(ii) Seller shall, upon request, furnish Buyer, CAISO, CPUC or other applicable Governmental Body evidence that its representation made in Section 5.2(c)(i) is true and correct.

(d) Each Party covenants to the other Party throughout the Delivery Period to comply with the Tariff, relating to the Product.

(e) The Parties agree that the following sections of the Master Agreement between the Parties shall not be applicable to this Confirmation or Transactions hereunder until Party B’s exit from the Chapter 11 Cases has occurred: Sections 5.1(d), 5.1(e), 5.1(f), 10.2(v), 10.2(vi), and 10.10. Notwithstanding anything to the contrary contained herein, with respect to Party B: Party A acknowledges and agrees that i) representations and warranties under Section 10.2(x) of the Master Agreement are made subject to the provisions of the Bankruptcy Code and any order of the Bankruptcy Court; and (ii) the existence or continuation of Party B being Bankrupt is not an Event of Default with respect to Party B under this Agreement (including pursuant to Section 5.1(g) of the Master Agreement) and does not entitle Party A to terminate this Agreement solely because of such existence or continuation.

ARTICLE 6
CONFIDENTIALITY

Notwithstanding Section 10.11 of the Master Agreement, the Parties may disclose all terms and conditions of this Transaction to any Governmental Body, the CPUC, CAISO and the Procurement Review Group, and Seller may disclose the transfer of the Contract Quantity for each day during the Delivery Period under this Transaction to the Scheduling Coordinator of the Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans. Each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Body, CAISO, or Scheduling Coordinator to further disclose information disclosed pursuant to this Article. In addition, if Buyer resells all or any portion of the Contract Quantity for any day during the Delivery Period to another party, Buyer shall be permitted to disclose to the purchaser of the Resold Product all such information necessary to effect such resale transaction, other than the Contract Price.
ARTICLE 7
HOLD-BACK AND SUBSTITUTE CAPACITY

No later than three (3) Business Days before the relevant deadline for the initial Compliance Showing with respect to a particular Showing Month, Buyer may request in writing that Seller not list, or cause the Unit’s Scheduling Coordinator not to list, in the Unit’s Supply Plan a portion or all of the Contract Quantity for any portion of such Showing Month included in the Delivery Period ("Hold-Back Capacity"). Along with such request, Buyer shall also provide updated Unit information reflecting the requested change. The updated Unit information shall be in the form of the Supply Plan. Following Buyer’s request for Hold-Back Capacity, Buyer may request, in writing, that Seller make the previously requested Hold-Back Capacity available for Buyer’s use as Substitute Capacity only for Planned Outages within the respective Showing Month. Such request shall be received by Seller no later than eight (8) Business Days prior to the first day of the Planned Outage for which Buyer seeks to use such Substitute Capacity as required by the CAISO. The amount of Contract Quantity that is the subject of Buyer’s request for Hold-Back Capacity shall be deemed Contract Quantity delivered consistent with Section 2.4 for purposes of calculating a Monthly Payment pursuant to Section 3.1 and calculating any amounts due pursuant to Section 2.5 or 2.6. Seller shall, or shall cause the Unit’s Scheduling Coordinator to, comply with Buyer’s request under this Article 7.

Notwithstanding anything to the contrary in Sections 2.6, Seller shall not be liable for any costs, penalties, or fines assessed against Buyer by the CAISO as a result of Seller’s failure to make Substitute Capacity available to Buyer if Buyer did not timely comply with the notification requirements of this Article 7.

ARTICLE 8
COLLATERAL REQUIREMENTS

8.1 Buyer Collateral Requirements

(a) Notwithstanding anything to the contrary contained in the Master Agreement, Buyer shall, within five (5) Business Days following the Confirmation Effective Date, provide to, and maintain with, Seller a Fixed Independent Amount as long as Buyer or its Guarantor, if any, does not maintain Credit Ratings of at least BBB-from S&P and Baa3 from Moody’s. The “Fixed Independent Amount” shall be 20% of the sum of the Monthly Payments for all unpaid months of the Delivery Period. For the purposes of calculating the Collateral Requirement pursuant to Section 8.2 of the Master Agreement, entitled “Party B Credit Protection”, and all corresponding provisions to Section 8.2 of the Master Agreement, such Fixed Independent Amount for Buyer shall be added to the Exposure Amount for Seller and subtracted from the Exposure Amount for Buyer.

(b) If the conditions in subsections (i) and (ii) of this Section 8.1(b) are satisfied throughout the Delivery Period, then this Confirmation’s Fixed Independent Amount shall not apply for that time period during which all such conditions are satisfied:

PG&E Resource Adequacy (Log No. 33B230T01)
2019 Multi-Year Resource Adequacy (RA) Solicitation
(i) Buyer’s customers are PG&E’s distribution or transmission customers and PG&E is the billing agent for those customers; and

(ii) PG&E is the provider of last resort pursuant to Cal. Pub. Util. Code Section 451 et seq. and applicable law for Buyer’s retail electric customers.

(e) If at any time during the Delivery Period, one or more of the conditions in subsections (i) and (ii) of Section 8.1(b) is no longer satisfied, and Seller has provided Buyer with written notice of such failure to satisfy (Condition Notice), then Buyer shall comply with the credit requirements of Section 8.1(a), above by that date which is no later than thirty (30) calendar days following the date of the Condition Notice.

8.2 Seller Collateral Requirements

Section 8.1 of the Master Agreement, entitled “Party A Credit Protection”, and all corresponding provisions to Section 8.1 of the Master Agreement do not apply to this Confirmation.

8.3 Current Mark-to-Market Value

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

ARTICLE 9
ADDITIONAL MASTER AGREEMENT AMENDMENTS

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

The Parties shall determine the Settlement Amount for this Transaction in accordance with Section 5.2 of the Master Agreement using the defined terms contained in this Confirmation and with respect to this Transaction only, the following language is to be added at the end of Section 5.2 of the Master Agreement:

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

*Silicon Valley Clean Energy Authority, a California joint powers authority*

*Pacific Gas and Electric Company, a California corporation, limited for all purposes hereunder to its Electric Procurement and Electric Fuels Functions*

By: [Signature]
Name: Girish Balachandran
Title: CEO
Date: 9/18/2019

By: [Signature]
Name: Anna Foglesong
Title: Director, Energy Transactions and Legislative Policy
Date: 9/19/19
APPENDIX A
DEFINED TERMS

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

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

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

"Bankruptcy Code" means title 11 of the United States Code, as amended from time to time, as applicable to the Chapter 11 Cases.

"Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of California, having subject matter jurisdiction over the Chapter 11 Cases.

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

"CAISO Controlled Grid" has the meaning set forth in the Tariff.

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

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

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

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

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

“Chapter 11 Cases” means Party B’s Chapter 11 bankruptcy cases pending before the United States Bankruptcy Court for the Northern District of California, Case Nos. 19-30088 (DM) and 19- 30089 (DM), which are being jointly administered.

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

“Compliance Obligations” means the RAR and Local RAR, and if applicable FCR.

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

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

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

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

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

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

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

“CPUC” means the California Public Utilities Commission.

“CPUC Decisions” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-01-063, 15-06-063, 16-06-045, 17-06-027, and any other existing or subsequent decisions, resolutions, or rulings related to resource adequacy, including, without limitation, the CPUC Filing Guide, in each case as may be amended from time to time by the CPUC.

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

“Delivery Period” is defined in Article 1 of this Confirmation.

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

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

"FERC" means the Federal Energy Regulatory Commission.

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

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

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

"Flexible Capacity Category" has the meaning set forth in the Tariff.

"Governmental Body" means any federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal. This definition does not include "market participants" as defined in the CAISO's Business Practice Manual for Definitions and Acronyms as published on the CAISO website.

"Hold-Back Capacity" is defined in Article 7 of this Confirmation.

"Local Capacity Area" has the meaning set forth in the Tariff.

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

PG&E Resource Adequacy (Log No. 33B230T01)
2019 Multi-Year Resource Adequacy (RA) Solicitation
“LSE” means “Load Serving Entity” as such term is defined in the Tariff.

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

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

“Monthly Payment” is defined in Section 3.1 of this Confirmation.

“MW” means megawatt.

“Outage” has the meaning set forth in the Tariff.

“Path” refers to the Path 26 transmission constraint which is surrounded by two zones; North of Path 26 (PG&E’s TAC) and South of Path 26 (SCE and SDG&E’s TACs), as identified by the Commission in D.07-06-029.

“Planned Outage” means any outage that was submitted to the CAISO for approval at least eight (8) calendar days prior to the outage start date.

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

“Product” is defined in Article 1 of this Confirmation.

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

“Re-sale Plan” is defined in Section 2.7(b) of this Confirmation.

“Resold Product” is defined in Section 2.7 of this Confirmation.

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

“SCID of Benefitting LSE” means the Scheduling Coordinator ID Code (SCID) of the Load Serving Entity (LSE) that will be using the Product toward meeting their RAR in the given Showing Month.

“Scheduling Coordinator ID Code (SCID)” has the meaning set forth in the Tariff.

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

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

"Substitute Capacity" means "RA Substitute Capacity" as defined in the Tariff.

"Supply Plan" has the meaning set forth in the Tariff.

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

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

"Unit" means any generation unit provided by Seller pursuant to Section 2.2 and any Alternate Unit or Shown Unit.

"Unit EFC" means, with respect to a Unit on any date of determination, the lesser of the Effective Flexible Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.

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

Product means Capacity Attributes with the following characteristics.

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<tr>
<th>Showing Month and Year</th>
<th>Path (North, South)</th>
<th>System RAR Quantity (MW)</th>
<th>Local RAR Quantity (MW)</th>
<th>Local Capacity Area*</th>
<th>FCR Quantity, if any (MW)</th>
<th>Flexible Capacity Category (1,2,3)</th>
<th>Contract Price ($/kW-month)</th>
<th>SCID of Benefitting LSE</th>
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<tr>
<td>Showing Month and Year</td>
<td>Path (North, South)</td>
<td>System RAR Quantity (MW)</td>
<td>Local RAR Quantity (MW)</td>
<td>Local Capacity Area*</td>
<td>FCR Quantity, if any (MW)</td>
<td>Flexible Capacity Category (1,2,3)</td>
<td>Contract Price ($/kW-month)</td>
<td>SCID of Benefitting LSE</td>
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* Please specify: Bay Area, Humboldt, Sierra, Stockton, Fresno, Kern, North Coast/North Bay, LA Basin, Big Creek/Ventura
## APPENDIX C
### SUBSEQUENT SALE INFORMATION

<table>
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<th>Contract Key ID:</th>
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<th>Local Volume (in MW and by local area):</th>
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APPENDIX D
NOTICE INFORMATION

Name: Silicon Valley Clean Energy Authority, a California joint powers authority
(“Buyer” or “Party A”)

All Notices:

Delivery Address:
Street: 333 W. El Camino Real, Suite 320
City: Sunnyvale State: CA Zip: 94087

Mail Address: (if different from above)
Attn: Dennis Dye-O’Neal
(email) dennis.dyeoneal@svcleanenergy.org
Phone: (408) 721-5301 x1016

Invoices and Payments:
Attn: SVCE Power Settlements
(email): powersettlements@svcleanenergy.org
Phone: (408) 721-5301

Scheduling:
Attn: Brian Goldstein
(email): brian@pacificenergy.com
Phone: (916) 936-3303

Wire Transfer:
BNK: River City Bank
ACCT Title: SVCE
ABA: 
ACCT: 
DUNS: 
Federal Tax ID Number: 

Credit and Collections:
Attn: SVCE Power Settlements
(email): powersettlements@svcleanenergy.org
Phone: (408) 721-5301

Contract Management
Attn: SVCE Power Settlements
(email): powersettlements@svcleanenergy.org
Phone: (408) 721-5301

With additional Notices of an Event of Default to
Contract Manager:
Attn: Girish Balachandran, CEO
(email): girish@svcleanenergy.org
Phone: (408) 721-5301 x1001

Supply Plan Contact:

Name: Pacific Gas and Electric Company, a California corporation, limited for all purposes hereunder to its Electric
Procurement and Electric Fuels Functions
(“Seller” or “Party B”)

All Notices:

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

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

Invoices and Payments:
Attn: Tom Girlich (thomas.girlich@pge.com)
Manager, Electric Settlements
Phone: (415) 973-9381

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

Wire Transfer:
BNK: The Bank of NY Mellon
ACC Title: PG&E
ABA: 
ACCT: 
DUNS: 
Federal Tax ID Number: 

Credit and Collections:
Attn: Credit Risk Management (PGERiskCredit@pge.com)
Phone: (415) 972-5188

Contract Management
Attn: Elizabeth Motley (elizabeth.motley@pge.com)
Contract Management
Phone: (415) 973-2368

With additional Notices of an Event of Default to Contract
Manager:
Attn: Ted Yura (ted.yura@pge.com)
Senior Manager, Contract Management
Phone: (415) 973-8660

Supply Plan and Hold-Back Request:
EPP-RAFilingsMailbox@pge.com

PG&E Resource Adequacy (Log No. 33B230T01)
2019 Multi-Year Resource Adequacy (RA) Solicitation
Powerex

Import Resource Adequacy (RA) Capacity Product
Confirmation Agreement Between
Powerex Corp. and Silicon Valley Clean Energy Authority
Powerex Deal No.: GPJ156

When fully executed, this confirmation agreement ("Confirmation") dated September 26, 2019, shall document the negotiated transaction (the "Transaction") between Powerex Corp. ("Seller") and Silicon Valley Clean Energy Authority, a California joint powers authority ("Buyer"), together the "Parties", in which Seller agrees to provide to Buyer the right to Import RA Capacity as defined and specified herein. This Transaction is governed by the EEI Master Power Purchase and Sale Agreement between the Parties dated November 28, 2016, together with any and all schedules, exhibits and supplements thereto or incorporated therein by reference (collectively, the "Master Agreement"), as amended and supplemented by this Confirmation, under the following terms and conditions. Capitalized terms contained in this Confirmation not defined herein that are defined in the Master Agreement, the RA Rules (as defined herein) or the tariffs and/or protocols of the California Independent System Operator ("CAISO") as amended from time to time (the "CAISO Tariff" or the "Tariff") shall have the meanings given in the Master Agreement, RA Rules and Tariff, as applicable, and shall apply to this Confirmation and Transaction. To the extent that this Confirmation is inconsistent with any provision of the Master Agreement, this Confirmation shall govern the rights and obligations of the Parties hereunder. Consistent with Section 2.2 of the Master Agreement, this Confirmation, together with all other transactions, confirmations and the Master Agreement, form a single integrated agreement between the Parties and are not separate contracts. This Confirmation supersedes and replaces any prior oral or written confirmation or agreement, including broker confirmations, regarding this Transaction.

1. Definitions:

1.1. "Import Resource Adequacy (RA) Capacity Product" or "Import RA Capacity" means the qualified and deliverable capacity from the Non-Resource-Specific System Resource that can be counted toward System RAR as described in the applicable RA Rules, and all other resource adequacy requirements established by any other regional entity responsible for System RAR. Import RA Capacity does not confer to Buyer any right other than the right to count the Contract Quantity toward System RAR during the Delivery Term. Specifically, no energy associated with the Non-Resource-Specific System Resource is required to be made available to Buyer as part of this Import RA Capacity sale obligation, and Buyer shall in no way be responsible to compensate Seller for any energy commitments to CAISO as set forth in this Transaction. For greater certainty, it is Buyer's sole responsibility to ensure sufficient intertie import capability at the RA Capacity Delivery Point is obtained such that the Contract Quantity of Import RA Capacity (or any Resold Import RA Capacity) may be counted toward System RAR.


1.3. "Non-Resource-Specific System Resource" or "NRS-RA Resource" means the integrated system of resources owned or contracted for by British Columbia Hydro and Power Authority. In the event of unforeseen physical or operational limitations that are outside of the Seller's reasonable control (including curtailments or de-rate of transmission service from the NRS-RA Resource or significant or wide-spread loss of generation within the NRS-RA Resource), Seller may meet its obligations hereunder from one or more of an alternative group of resources located outside of the CAISO Control Area capable of providing Energy and/or Ancillary Services to the RA Capacity Delivery Point provided such alternative resource or group of resources meets the requirements of Section 2.3 of this Confirmation at the time Seller uses such resource(s) to meet its obligations hereunder.
1.4. “RA Capacity Delivery Point” means the CAISO Scheduling Point Nevada Oregon Border (NOB) which maps to the CAISO Branch Group NOB_ITC or another location as agreed to in writing by the Parties.


1.6. “Reference Date” means the date Powerex has executed this Confirmation.

1.7. “System RAR” means the system resource adequacy requirements established by the California Public Utilities Commission (“CPUC”) pursuant to the RA Rules, or by other governmental body having jurisdiction.

2. Further Assurances / Representations and Warranties:

2.1. Throughout the Delivery Term, Seller and Buyer shall 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 System RAR consistent with the Tariff and RA Rules. Such commercially reasonable actions may include but are not limited to the following:

2.1.1. Meeting requirements established by the Tariff and CPUC in its resource adequacy counting protocols, including demonstration of the ability to deliver the Contract Quantity over all hours of the Delivery Term required for full System RAR eligibility, and demonstrating that the Contract Quantity can be delivered to the CAISO Controlled Grid, pursuant to “deliverability” standards established by the CPUC or other regional entity or entities responsible for resource adequacy administration, and provision of a Supply Plan to the CAISO by Seller's Scheduling Coordinator and sufficient information to allow for the submission of a complete Resource Plan by Buyer's Scheduling Coordinator; and

2.1.2. At all times using “Good Utility Practice” as defined in the Tariff.

2.2. Seller represents and warrants that throughout the Delivery Term:

2.2.1. Subject to Section 8, Buyer has the exclusive right to count the Contract Quantity of Import RA Capacity from the Non-Resource-Specific System Resource toward System RAR;

2.2.2. Subject to Section 8, no portion of the Contract Quantity of Import RA Capacity has been committed by Seller to any third party in order to satisfy System RAR or analogous capacity obligations in other markets; and

2.2.3. Seller shall abide by all applicable CAISO Tariff provisions and procedures approved by the Federal Energy Regulatory Commission (“FERC”) and RA Rules approved by the CPUC as they apply to the Import RA Capacity.

2.3. Seller further represents and warrants to Buyer that:

2.3.1. As of the date this Confirmation is executed by Seller, the Contract Quantity of Import RA Capacity procured by Buyer is surplus to the expected capacity requirements of the NRS-RA Resource's host Balancing Authority Area during the Delivery Term and that such surplus capacity is not committed to a
Balancing Authority Area other than the CAISO Balancing Authority Area in connection with the Import RA Capacity procured hereunder by Buyer (i.e. no double-counting);

2.3.2. Subject to any applicable limitations, prohibitions or adjustments as expressly provided in the Tariff, throughout the Delivery Term the Contract Quantity of Import RA Capacity will be made available twenty-four hours per day, seven days per week, to the RA Capacity Delivery Point in accordance with Section 3 of this Confirmation through transmission service that cannot be curtailed for economic reasons or bumped by higher priority transmission; and

2.3.3. Throughout the Delivery Term, the NRS-RA Resource will be supported (backed) each hour by operating reserves (including required contingency reserves and sufficient balancing reserves) in the NRS-RA Resource’s host Balancing Authority Area necessary to ensure there is sufficient energy available for Seller to meet its energy delivery obligation, if any, to CAISO in accordance with the Tariff throughout the applicable operating hour.

3. CAISO Dispatch Requirements:

Seller shall make available the full Contract Quantity to the CAISO in compliance with the applicable section of the Tariff implementing the RA Rules.

In compliance with Section 40.6 of the Tariff, Seller shall submit a bid or Self-Schedule, at Seller’s sole and exclusive option, or have a bid submitted on the Seller’s behalf by the CAISO into the CAISO Integrated Forward Market (“IFM”) at the RA Capacity Delivery Point of the Import RA Capacity in all hours of the Delivery Term for an amount of the Contract Quantity, adjusted for any outages or reductions in Contract Quantity reported to the CAISO in accordance with the Tariff, except for any hours in which the Seller was prohibited by Section 30.8 of the Tariff from bidding across an out-of-service transmission path at the RA Capacity Delivery Point.

In compliance with Section 40.6 of the Tariff, Seller shall submit a bid into the CAISO Residual Unit Commitment (“RUC”) Procedure at the RA Capacity Delivery Point of the Import RA Capacity for the amount of the Contract Quantity.

The Seller shall have no further offer requirements to CAISO to the extent there is available Contract Quantity that is not committed or Self-Scheduled in the Day Ahead Market. Without limiting the generality of the foregoing, and notwithstanding anything to the contrary in this Confirmation or the RA Rules, Seller shall not be required to Self-Schedule energy in the CAISO Day Ahead Market or Real Time Market in any hour(s) of the Delivery Term.

Notwithstanding anything to the contrary herein, any failure by Seller to deliver energy to CAISO, if required, in connection with the provision of the Import RA Capacity shall be exclusively governed by the applicable provisions of the Tariff and Seller shall have no liability to Buyer in connection with any such failure.

4. Contract Quantity and Delivery Term are as follows:

**Delivery Term:**

[Blacked out]

**Contract Quantity:**

[Blacked out]
5. **Contract Price applied to the Contract Quantity:**

   **Contract Price:**

   Buyer shall pay the Contract Price to Seller in accordance with the Master Agreement.

6. **Buyer’s and Seller’s SC Identification Number (“SCID”):** Buyer: LSVCE Seller: PWRX

7. **Revenues/Incentive Payments:** Seller shall retain any and all revenues received from the CAISO in relation to this Transaction. Further, and without limiting the generality of the foregoing, to the extent Seller receives any incentive payments from the CAISO for the Seller’s performance in providing Import RA Capacity (including any Resold Import RA Capacity), Seller shall be entitled to retain such payments for its own account.

8. **Resale of Import RA Capacity:**

   8.1. 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 of Import RA Capacity and any associated rights acquired under this Transaction (“Resold Import RA Capacity”) Seller agrees to follow Buyer’s instructions with respect to providing such Resold Import RA Capacity to subsequent purchasers of such Resold Import RA Capacity. 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 Resold Import RA Capacity, provided the foregoing shall not require Seller to enter into any agreements or transactions directly with any such subsequent purchaser. Seller acknowledges and agrees that with respect to any Resold Import RA Capacity, if Buyer incurs any liability to any purchaser of such Resold Import RA Capacity 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 Resold Import RA Capacity to a subsequent purchaser, then Seller shall be liable to Buyer under this Confirmation to the extent it would have been liable to Buyer had such Resold Import RA Capacity not been sold to a subsequent purchaser.

   8.2. Seller’s obligations under this Section 8 are contingent on (i) Buyer notifying Seller with the information required by this Section 8 no later than two (2) Business Days prior to the deadline for filing the Supply Plan for the Resold Import RA Capacity and (ii) Seller not having already submitted a Supply Plan with respect to the Import RA Capacity proposed to be resold (unless such Supply Plan may still be modified by Seller to reduce the capacity by the amount of the Resold Import RA Capacity). Further, any resale of Import RA Capacity by Buyer to a subsequent purchaser must be permitted under the Tariff, CAISO business practices and applicable law, and Seller shall not be required to take any action hereunder or execute any documents or instruments that would not be permitted under the Tariff, CAISO business practices or applicable law. Buyer shall cause the purchaser of any Resold Import RA Capacity to take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to permit such purchaser to use the Resold Import RA Capacity for System RAR consistent with the Tariff and RA Rules.

   8.3. In the event there is any Resold Import RA Capacity, Buyer agrees to notify Seller that such a sale has occurred and agrees to provide Seller with the information specified below promptly following such sale (and any other information reasonably requested by Seller so that Seller may perform its obligations in this Section 8) and promptly notify Seller of any subsequent changes to such information with respect to any particular sale.
8.3.1. Benfitting load serving entity SCID,

8.3.2. Volume (in MW) of Resold Import RA Capacity, and

8.3.3. Delivery term for Resold Import RA Capacity.

9. **Indemnity:** To the extent Seller fails to fulfill its obligations under this Confirmation and such failure is not excused under this Confirmation or the Master Agreement or by Buyer’s (or any purchaser of Resold Import RA Capacity) failure to perform, then Seller agrees to indemnify Buyer for:

9.1. monetary penalties, directly resulting from Seller’s nonperformance hereunder, assessed against Buyer by the CPUC or the CAISO, as applicable, pursuant to the RA Rules or Tariff as applicable as of the date of this Confirmation, but only to the extent such penalties being assessed could not be avoided by Buyer following notice from Seller of its nonperformance; and

9.2. costs of any RA Capacity incurred by Buyer to address a deficiency hereunder, using reasonable efforts to procure a product similar in price to Import RA Capacity, in such quantity equal to the Contract Quantity less the quantity of Import RA Capacity provided to Buyer by Seller hereunder. At Seller’s discretion, in lieu of reimbursing Buyer for the costs set out in this Section 9.2, Seller may provide RA Capacity, provided such RA Capacity meets the requirements of the RA Rules and the Tariff.

10. **Change in Law:** If, after the Reference Date, there are any changes, revisions, additions or clarifications to or of the RA Rules, Tariff or other laws, regulations or rules governing resource adequacy rendered by the CPUC, CAISO or any regional entity or entities responsible for resource adequacy administration (collectively, a “Change in Law”), that results in material change(s) to Buyer’s or Seller's obligations with regard to Import RA Capacity transferred under this Confirmation (including the transfer process) such that implementation of this Confirmation becomes impossible or impracticable or this Confirmation no longer satisfies the requirements for System RA, the Parties shall work in good faith to try and revise this Confirmation so that this Confirmation complies with the requirements for System RA or the Parties can perform their obligations with respect to the Import RA Capacity in order to maintain the benefits of the bargain struck by the Parties, as applicable. In the event the Parties cannot reach agreement on any such amendments to this Confirmation within 30 days after initiating discussions to revise this Confirmation following the Change in Law (“Negotiation Period”), to the extent practicable and lawful, the Parties shall perform their respective obligations hereunder in accordance with the RA Rules, Tariff or other applicable laws, regulations or rules prior to the Change in Law; provided, however, that notwithstanding the foregoing or anything to the contrary herein, neither Party shall be obligated to perform any obligation hereunder (other than payment obligations) to the extent that doing so would cause such Party to be materially adversely affected. Notwithstanding the foregoing, if the Change in Law results in the Import RA Capacity transferred or to be transferred hereunder (or the Parties’ respective obligations with respect thereto) not satisfying the requirements for System RA and following the Negotiation Period the Parties cannot reach agreement on amendments to this Confirmation or other agreed measures such that the Import RA Capacity does satisfy the requirements for System RA, then either Party may terminate this Confirmation within thirty (30) days after the Negotiation Period upon written notice to the other Party, which shall be effective the next Business Day after such notice is received, and any such termination shall be without liability to either Party provided Buyer shall remain liable to Seller to the extent Seller, in performing its obligations hereunder, has made any commitments to the CPUC or CAISO prior to receipt of Buyer’s written notice of termination that cannot be rescinded without Seller incurring penalties or other charges.

11. **Condition Precedent:** This Confirmation (and the transaction confirmed thereby) shall not be binding upon any Party until and unless both Seller and Buyer have executed and delivered this Confirmation to the other Party before 3 p.m. Pacific Prevailing Time on October 2, 2019. If either Party fails to satisfy the foregoing
condition precedent, then this Confirmation (and the transaction confirmed thereby) shall have no force and effect and all offers hereunder shall be deemed rescinded.

ACKNOWLEDGED AND AGREED TO:

Powerex Corp. *

By: 

Name: RB Campbell

Title: Managing Director

Date: 9/26/2019

* Powerex Corp., doing business in California as Powerex Energy Corp.

Silicon Valley Clean Energy Authority, a California joint powers authority

By: Girish Balachandran

Name: Girish Balachandran

Title: CEO

Date: 9/26/2019