AGENDA

Call to Order

Roll Call

This meeting will be conducted in accordance with State of California Executive Order N-29-20, dated March 17, 2020, in consideration of the Coronavirus (COVID-19). All members of the Silicon Valley Clean Energy Board of Directors and staff will participate in this meeting by teleconference.

Members of the public may observe this meeting electronically by accessing the meeting via instructions above. Public Comments can be sent in advance of the meeting to Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org and will be read within the public comment period or the applicable agenda item. The public will also have an opportunity to provide comments during the meeting.

The public may provide comments on any matter listed on the Agenda. Speakers are customarily limited to 3 minutes each, however, the Board Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”) please contact Board Clerk Andrea Pizano at andrea.pizano@svcleanenergy.org prior to the meeting for assistance.
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).

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any matter not listed on the Agenda provided it is within the subject matter jurisdiction of SVCE. Speakers are customarily limited to 3 minutes each, however, the Board Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

Consent Calendar (Action)

1a) Approve Minutes of the September 9, 2020, Board of Directors Meeting

1b) Receive July 2020 Treasurer Report

1c) Authorize the Chief Executive Officer to Execute a Confirmation Agreement with PG&E to Receive Carbon-free Allocation for 2021 to 2023 Deliveries

1d) SVCE 2019 Annual Power Source Disclosure Report Attestation

1e) Adopt Resolution to Authorize the Chief Executive Officer to Amend the Authority Delegated Under Approved Master Service Agreements with Energy and Environmental Economics, Hanover Strategy Advisors, Flynn Resources Consulting, and Ascend Analytics

1f) Approve Health Savings Account Benefit Option for SVCE Employees

1g) Receive 2020 Q3 Quarterly Programs Report

1h) Authorize the Chief Executive Officer to Execute Agreement with Pacific Energy Advisors, Inc. for Technical Consulting Services

1i) Adopt Resolution Amending SVCE Conflict of Interest Code to Add Power Analyst Position in the List of Designated Positions for Filing

1j) Adopt Resolution to Authorize the Chief Executive Officer to Amend Credit and Collateral Requirements in Approved Master Agreements to Incorporate the Investment Grade Credit Rating Provided the Amendments Are Favorable to the Authority

1k) Authorize the Chief Executive Officer to Execute Agreement with Buro Happold for Community Energy Resilience Analysis, Planning, and Support Services

1l) Closing Report of the Ad Hoc Committee of the Board to Address Legislative and Regulatory Responses to Industry Transition

1m) Executive Committee Report

1n) Finance and Administration Committee Report
10) Audit Committee Report

Regular Calendar

2) CEO Report (Discussion)

3) Approve Amended SVCE Strategic Plan (Action)

4) Adopt Resolution to Authorize the Chief Executive Officer to Enter Into Legal Services Agreements with Orrick, Herrington & Sutcliffe and Chapman & Cutler in Connection with Energy Prepayment Transaction (Action)

5) Long-Duration Storage and Super JPA Formation Update (Discussion)

Board Member Announcements and Direction on Future Agenda Items

Adjourn
CAISO – California Independent System Operator - a non-profit independent system operator that oversees the operation of the California bulk electric power system, transmission lines and electricity market generated and transmitted by its members (~80% of California’s electric flow). Its stated mission is to “operate the grid reliably and efficiently, provide fair and open transmission access, promote environmental stewardship and facilitate effective markets and promote infrastructure development. CAISO is regulated by FERC and governed by a five-member governing board appointed by the governor.

CALCCA – California Community Choice Association – Association made up of Community Choice Aggregation (CCA) groups which represents the interests of California’s community choice electricity providers.

CARB – California Air Resources Board – The CARB is charged with protecting the public from the harmful effects of air pollution and developing programs and actions to fight climate change in California.

CEC – California Energy Commission

CPUC – California Public Utility Commission

C&I – Commercial and Industrial – Business customers

CP – Compliance Period – Time period to become RPS compliant, set by the CPUC (California Public Utilities Commission)

DA – Direct Access – An option that allows eligible customers to purchase their electricity directly from third party providers known as Electric Service Providers (ESP).

DA Cap – the maximum amount of electric usage that may be allocated to Direct Access customers in California, or more specifically, within an Investor-Owned Utility service territory.

DA Lottery – a random drawing by which DA waitlist customers become eligible to enroll in DA service under the currently-applicable Direct Access Cap.

DA Waitlist – customers that have officially registered their interest in becoming a DA customer but are not yet able to enroll in service because of DA cap limitations.

DAC – Disadvantaged Community

DASR – Direct Access Service Request – Request submitted by C&I to become direct access eligible.

Demand - The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts (kW), megawatts (MW), or gigawatts (GW), at a given instant or averaged over any designated interval of time. Demand should not be confused with Load or Energy.

DER – Distributed Energy Resource – A small-scale physical or virtual asset (e.g. EV charger, smart thermostat, behind-the-meter solar/storage, energy efficiency) that operates locally and is connected to a larger power grid at the distribution level.

Distribution - The delivery of electricity to the retail customer’s home or business through low voltage distribution lines.
**DLAP – Default Load Aggregation Point** – In the CAISO’s electricity optimization model, DLAP is the node at which all bids for demand should be submitted and settled. SVCE settles its CAISO load at the PG&E DLAP as SVCE is in the PG&E transmission access charge area.

**DR – Demand Response** - An opportunity for consumers to play a significant role in the operation of the electric grid by reducing or shifting their electricity usage during peak periods in response to time-based rates or other forms of financial incentives.

**DWR – Department of Water Resources** – DWR manages California’s water resources, systems, and infrastructure in a responsible, sustainable way.

**ELCC – Effective Load Carrying Capacity** – The additional load met by an incremental generator while maintaining the same level of system reliability. For solar and wind resources the ELCC is the amount of capacity which can be counted for Resource Adequacy purposes.

**EPIC – Electric Program Investment Charge** – The EPIC program was created by the CPUC to support investments in clean energy technologies that provide benefits to the electricity ratepayers of PG&E, San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE)

**ERRA – Energy Resource Recovery Account** – ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates. The utilities do not earn a rate of return on these costs, and only recover actual costs. The costs are forecast for the year ahead. If the actual costs are lower than forecast, then the utility gives money back, and vice versa.

**ESP – Energy Service Provider** - An energy entity that provides service to a retail or end-use customer.

**EV – Electric Vehicle**

**GHG – Greenhouse gas** - water vapor, carbon dioxide, tropospheric ozone, nitrous oxide, methane, and chlorofluorocarbons (CFCs). A gas that causes the atmosphere to trap heat radiating from the earth. The most common GHG is Carbon Dioxide, though Methane and others have this effect as well.

**GRC – General Rate Case** – Proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. For California’s three large IOUs, the GRCs are parsed into two phases. Phase I of a GRC determines the total amount the utility is authorized to collect, while Phase II determines the share of the cost each customer class is responsible and the rate schedules for each class. Each large electric utility files a GRC application every three years for review by the Public Advocates Office and interested parties and approval by the CPUC.

**GWh – Gigawatt-hour** - The unit of energy equal to that expended in one hour at a rate of one billion watts. One GWh equals 1,000 megawatt-hours.

**IEP – Independent Energy Producers** – California’s oldest and leading nonprofit trade association, representing the interest of developers and operators of independent energy facilities and independent power marketers.

**IOU – Investor Owned Utility** – A private electricity and natural gas provider.

**IRP – Integrated Resource Plan** – A plan which outlines an electric utility’s resource needs in order to meet expected electricity demand long-term.

**kW – Kilowatt** – Measure of power where power (watts) = voltage (volts) x amperage (amps) and 1 kW = 1000 watts

**kWh – Kilowatt-hour** – This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.
**LCFS – Low Carbon Fuel Standard** – A CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and therefore, reduce greenhouse gas emissions.

**LCR – Local (RA) Capacity Requirements** – The amount of Resource Adequacy capacity required to be demonstrated in a specific location or zone.

**LMP – Locational Marginal Price** – Each generator unit and load pocket is assigned a node in the CAISO optimization model. The model will assign a LMP to the node in both the day-ahead and real time market as it balances the system using the least cost. The LMP is comprised of three components: the marginal cost of energy, congestion and losses. The LMP is used to financially settle transactions in the CAISO.

**Load** – An end use device or customer that receives power from an energy delivery system. Load should not be confused with Demand, which is the measure of power that a load receives or requires. See Demand.

**LSE – Load-serving Entity** – Entities that have been granted authority by state, local law or regulation to serve their own load directly through wholesale energy purchases and have chosen to exercise that authority.

**NEM – Net Energy Metering** – A program in which solar customers receive credit for excess electricity generated by solar panels.

**NRDC – Natural Resources Defense Council**

**OIR – Order Instituting Rulemaking** – A procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five Commissioners of the CPUC.

**MW – Megawatt** – measure of power. A megawatt equals 1,000 kilowatts or 1 million watts.

**MWH – Megawatt-hour** – measure of energy

**NP-15 – North Path 15** – NP-15 is a CAISO pricing zone usually used to approximate wholesale electricity prices in northern California in PG&E’s service territory.

**PCC1 – RPS Portfolio Content Category 1** – Bundled renewables where the energy and REC are dynamically scheduled into a California Balancing Authority (CBA) such as the CAISO. Also known as “in-state” renewables

**PCC2 – RPS Portfolio Content Category 2** – Bundled renewables where the energy and REC are from out-of-state and not dynamically scheduled to a CBA.

**PCC3 – RPS Portfolio Content Category 3** – Unbundled REC

**PCIA or “exit fee”** – Power Charge Indifference Adjustment (PCIA) is an “exit fee” based on stranded costs of utility generation set by the California Public Utilities Commission. It is calculated annually and assessed to customers of CCAs and paid to the IOU that lost those customers as a result of the formation of a CCA.

**PCL – Power Content Label** – A user-friendly way of displaying information to California consumers about the energy resources used to generate the electricity they sell, as required by AB 162 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997).

**PD – Proposed Decision** – A procedural document in a CPUC Rulemaking process that is formally commented on by Parties to the proceeding. A PD is a precursor to a final Decision voted on by the five Commissioners of the CPUC.

**Pnode – Pricing Node** – In the CAISO optimization model, it is a point where a physical injection or withdrawal of energy is modeled and for which a LMP is calculated.
PPA – Power Purchase Agreement – A contract used to purchase the energy, capacity and attributes from a renewable resource project.

RA – Resource Adequacy - Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—both independently owned utilities and electric service providers—to demonstrate in both monthly and annual filings that they have purchased capacity commitments of no less than 115% of their peak loads.

RE – Renewable Energy - Energy from a source that is not depleted when used, such as wind or solar power.

REC - Renewable Energy Certificate - A REC is the property right to the environmental benefits associated with generating renewable electricity. For instance, homeowners who generate solar electricity are credited with 1 solar REC for every MWh of electricity they produce. Utilities obligated to fulfill an RPS requirement can purchase these RECs on the open market.

RPS - Renewable Portfolio Standard - Law that requires CA utilities and other load serving entities (including CCAs) to provide an escalating percentage of CA qualified renewable power (culminating at 33% by 2020) in their annual energy portfolio.

SCE – Southern California Edison

SDG&E – San Diego Gas & Electric

SGIP – Self-Generation Incentive Program – A program which provides incentives to support existing, new, and emerging distributed energy resources (storage, wind turbines, waste heat to power technologies, etc.)

TCR EPS Protocol – The Climate Registry Electric Power Sector Protocol – Online tools and resources provided by The Climate Registry to assist organizations to measure, report, and reduce carbon emissions.

Time-of-Use (TOU) Rates — The pricing of delivered electricity based on the estimated cost of electricity during a particular time-block. Time-of-use rates are usually divided into three or four time-blocks per 24 hour period (on-peak, midpeak, off-peak and sometimes super off-peak) and by seasons of the year (summer and winter). Real time pricing differs from TOU rates in that it is based on actual (as opposed to forecasted) prices that may fluctuate many times a day and are weather sensitive, rather than varying with a fixed schedule.

TURN – The Utility Reform Network - A ratepayer advocacy group charged with ensuring that California IOUs implement just and reasonable rates.

Unbundled RECs - Renewable energy certificates that verify a purchase of a MWH unit of renewable power where the actual power and the certificate are “unbundled” and sold to different buyers.

VPP – Virtual Power Plant – A cloud-based network that leverages an aggregation of distributed energy resources (DERs) to shift energy demand or provide services to the grid. For example, thousands of EV chargers could charge at a slower speed and hundreds of home batteries could discharge to the grid during a demand peak to significantly reduce the procurement of traditional supply resources.
Pursuant to State of California Executive Order N-29-20, dated March 17, 2020, the meeting was conducted via teleconference.

DRAFT MINUTES

Call to Order

Chair Miller called the meeting to order at 7:01 p.m.

Roll Call

Present:
Chair Howard Miller, City of Saratoga
Vice Chair Nancy Smith, City of Sunnyvale
Director Liz Gibbons, City of Campbell
Director Rod Sinks, City of Cupertino
Director Neysa Fligor, City of Los Altos
Director George Tyson, Town of Los Altos Hills
Director Rob Rennie, Town of Los Gatos
Director Carmen Montano, City of Milpitas
Director Javed Ellahie, City of Monte Sereno
Alternate Director Anthony Eulo, City of Morgan Hill
Director Margaret Abe-Koga, City of Mountain View

Absent:
Director Fred M. Tovar, City of Gilroy
Director Susan Ellenberg, County of Santa Clara

All present Board members participated via teleconference.

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

Consent Calendar

General Counsel Greg Stepanicich provided a statement on Item 1d) Approve Amendment No. 3 to Employment Agreement for Chief Executive Officer to note the two changes being made by the amendment are 1) increase in the CEO's annual salary from $315,000 per year to $351,000 per year effective October 4, 2020, and 2) to coincide the term of the agreement to SVCE’s fiscal year, October 1 – September 30, and will renew each year unless either party gives a three-month notice of non-renewal.

Chair Miller provided information from the negotiating committee.

MOTION: Vice Chair Smith moved and Director Gibbons seconded the motion to approve the Consent Calendar.
Chair Miller opened public comment.
No speakers.
Chair Miller closed public comment.

The motion carried unanimously by verbal roll call vote with Director Ellenberg and Tovar absent.

1a) Approve Minutes of the August 12, 2020, Board of Directors Meeting
1b) Receive May 2020 Treasurer Report
1c) Receive June 2020 Treasurer Report
1d) Approve Amendment No. 3 to Employment Agreement for Chief Executive Officer
1e) Adopt Resolution Authorizing the Chief Executive Officer to Grant 20 Days of Paid-Time-Off to Employees Affected by Publicly-Declared Emergencies
1f) Adopt Resolution Approving Establishment of SVCE Generation Rates for B1, B19, and B20 for Commercial Customers with Connected Energy Storage Devices
1g) Adopt Resolution to Authorize the Chief Executive Officer to Execute a Master Agreement with Boston Energy Trading and Marketing, LLC With Non-Substantive Changes
1h) Adopt Resolution Amending SVCE Conflict of Interest Code to Amend Title of Director of Finance and Administration to Chief Financial Officer and Director of Administrative Services in the List of Designated Positions for Filing
1i) Authorize the Chief Executive Officer to Execute Amendment to Agreement with Management Partners, Inc. for Management Consulting Services
1j) Adopt Resolution to Extend the Contract Terms and Spending Under Consultant Agreements with Sacramento Municipal Utility District, Center for Sustainable Energy, and ADM Associates, Inc.
1k) Authorize the Chief Executive Officer to Execute Agreement with Maher Accountancy for Accountant Services
1l) Authorize the Chief Executive Officer to Execute Amendment to Agreement for FY19-20 and Agreement for FY20-21 with Richards, Watson & Gershon for Legal Services
1m) Executive Committee Report
1n) Finance and Administration Committee Report
1o) Audit Committee Report
1p) Legislative and Regulatory Responses to Industry Transition Ad Hoc Committee Report

Regular Calendar

2) CEO Report (Discussion)

CEO Girish Balachandran provided an update on SVCE’s customer relief program, and information on a letter sent to the governor of California from CalCCA. Power Resources Manager Ian Williams provided information regarding the August 15 and 16 power outages; Communications Manager Pamela Leonard provided an update on the communication efforts surrounding the heat wave and power emergencies. Staff responded to board member questions.

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

The Board discussed some of the public’s concern to the blackouts in connection with clean energy efforts; Chair Miller requested staff prepare talking points for Director Fligor in preparation for the City of Los Altos’ reach code discussion. Director Fligor commented she would forward the information for the September 22, 2020 City of Los Altos Hills Council meeting to the board.

CEO Balachandran introduced Climate Corp Fellow Vanessa Shin, who provided brief introductory comments.

3) Strategic Plan Update (Discussion)
CEO Balachandran presented a PowerPoint presentation on an update to SVCE’s Strategic Plan.

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

4) **Adopt Fiscal Year 2020-21 Operating Budget and Resolution Amending the Positions Chart, Job Classifications, and Salary Schedule (Action)**

Interim Chief Financial Officer and Director of Administrative Services Don Rhoads presented a PowerPoint presentation. Board members provided comments on the development process of the budget.

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

MOTION: Director Sinks moved and Vice Chair Smith seconded the motion to approve the recommended Fiscal Year 2020-21 Operating Budget and Resolution 2020-26 amending the positions chart, job classifications, and salary schedule.

The motion carried unanimously by verbal roll call vote with Director Ellenberg and Tovar absent.

5) **Long-term Power Prepay Agreement Update (Discussion)**

CEO Balachandran introduced the item and Michael Berwanger of PFM Financial Advisors LLC; CEO Balachandran presented a PowerPoint presentation. CEO Balachandran and Berwanger responded to board member questions.

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

Chair Miller confirmed with staff the item would be brought back next month for approval to get ready for the agreement.

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

Director Gibbons reported she took the Risk Oversight Committee (ROC) training and commented it was 20 hours of very thorough understanding of what the financial fiduciary business of buying power is all about.

Director Sinks welcomed new ROC members Director Gibbons and Director Tyson.

Director Ellahie announced the Rotary Club of Los Gatos would be holding a mayors’ forum on September 23rd at 7:30 a.m. and noted those interested could send him an email for more information.

CEO Balachandran reported the ROC training mentioned by Director Gibbons was recorded and is available for any board director interested in viewing, and sections of the training would be used for future board orientations.

**Adjourn**

Chair Miller adjourned the meeting at 8:20 p.m.
TREASURER REPORT
Fiscal Year to Date
As of July 31, 2020
(Preliminary & Unaudited)
Issue Date: October 14, 2020

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**Financial Highlights for the month of July 2020:**

> SVCE operations resulted in a positive change in net position for the month of $3.7 million and year-to-date change in net position of $35 million.

> Retail GWh sales for the month landed 3% below budget.

> YTD operating margin of $46.4 million or 19% is slightly below budget expectations of a 21% operating margin at this point in the fiscal year.

> Power Supply costs are 1% below budget year-to-date.

> SVCE is investing ~96% of available funds generating year-to-date investment income of $1.6 million

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**Change in Net Position**

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**Power Supply Costs**

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<th>Aug</th>
<th>Sept</th>
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**Load Statistics - GWh**

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<th>Sept</th>
<th>Total</th>
<th>Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Sales Actual</td>
<td>325</td>
<td>314</td>
<td>332</td>
<td>334</td>
<td>304</td>
<td>311</td>
<td>287</td>
<td>318</td>
<td>328</td>
<td>351</td>
<td></td>
<td></td>
<td>3,204</td>
<td></td>
</tr>
<tr>
<td>Retail Sales Budget</td>
<td>325</td>
<td>318</td>
<td>335</td>
<td>329</td>
<td>311</td>
<td>316</td>
<td>308</td>
<td>307</td>
<td>321</td>
<td>360</td>
<td>348</td>
<td>339</td>
<td>3,916</td>
<td></td>
</tr>
</tbody>
</table>
**Other Statistics and Ratios**

- **Working Capital**: $177,746,038
- **Current Ratio**: 5.6
- **Operating Margin**: 19%
- **Expense Coverage Days**: 220
- **Expense Coverage Days w/ LOC**: 266
- **Long-Term Debt**: $0
- **Total Accounts**: 272,167
- **Opt-Out Accounts (Month)**: 40
- **Opt-Out Accounts (FYTD)**: 567
- **Opt-Up Accounts (Month)**: 1
- **Opt-Up Accounts (FYTD)**: 78

---

**Retail Sales - Month**

- **Actual**: 28.2
- **Budget**: 34.8
- **FY18/19**: 30.2

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>FY18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28.2</td>
<td>34.8</td>
<td>30.2</td>
</tr>
</tbody>
</table>

**Retail Sales - YTD**

- **Actual**: 242.7
- **Budget**: 251.9
- **FY18/19**: 193.9

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>FY18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>242.7</td>
<td>251.9</td>
<td>193.9</td>
</tr>
</tbody>
</table>

**Controllable O&M - Month**

- **Actual**: 24.4
- **Budget**: 26.2
- **FY18/19**: 22.1

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>FY18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.4</td>
<td>26.2</td>
<td>22.1</td>
</tr>
</tbody>
</table>

**Controllable O&M - YTD**

- **Actual**: 207.4
- **Budget**: 212.7
- **FY18/19**: 164.1

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>FY18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>207.4</td>
<td>212.7</td>
<td>164.1</td>
</tr>
</tbody>
</table>
# STATEMENT OF NET POSITION

As of July 31, 2020

## ASSETS

### Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$162,499,225</td>
</tr>
<tr>
<td>Accounts Receivable, net of allowance</td>
<td>25,720,928</td>
</tr>
<tr>
<td>Market settlements receivable</td>
<td>301,665</td>
</tr>
<tr>
<td>Accrued Revenue</td>
<td>17,716,024</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>38,932</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>4,549,204</td>
</tr>
<tr>
<td>Deposits</td>
<td>885,892</td>
</tr>
<tr>
<td>Restricted cash</td>
<td>4,500,000</td>
</tr>
</tbody>
</table>

### Total Current Assets                           $216,211,870

### Noncurrent assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, net of depreciation</td>
<td>118,233</td>
</tr>
<tr>
<td>Deposits</td>
<td>145,630</td>
</tr>
</tbody>
</table>

### Total Noncurrent Assets                         263,863

### Total Assets                                   216,475,733

## LIABILITIES

### Current Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>1,170,608</td>
</tr>
<tr>
<td>Accrued Cost of Electricity</td>
<td>36,073,192</td>
</tr>
<tr>
<td>Accrued Payroll &amp; Benefits</td>
<td>335,589</td>
</tr>
<tr>
<td>Other accrued liabilities</td>
<td>6,547</td>
</tr>
<tr>
<td>User Taxes and Energy Surcharges due to other gov'ts</td>
<td>879,896</td>
</tr>
<tr>
<td>Supplier Security Deposits</td>
<td>-</td>
</tr>
</tbody>
</table>

### Total Current Liabilities                      38,465,832

## NET POSITION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in capital assets</td>
<td>118,233</td>
</tr>
<tr>
<td>Restricted for security collateral</td>
<td>4,500,000</td>
</tr>
<tr>
<td>Unrestricted (deficit)</td>
<td>173,391,668</td>
</tr>
</tbody>
</table>

### Total Net Position                             $178,009,901
SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2019 through July 31, 2020

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Sales, Net</td>
<td>$234,877,010</td>
</tr>
<tr>
<td>GreenPrime electricity premium</td>
<td>1,082,798</td>
</tr>
<tr>
<td>Liquidated damages</td>
<td>6,600,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>169,629</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td><strong>242,729,437</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>196,321,863</td>
</tr>
<tr>
<td>Contract services</td>
<td>7,370,807</td>
</tr>
<tr>
<td>Staff compensation and benefits</td>
<td>3,841,421</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>1,442,313</td>
</tr>
<tr>
<td>Depreciation</td>
<td>43,956</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td><strong>209,020,360</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING INCOME(LOSS)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>33,709,077</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>1,612,247</td>
</tr>
<tr>
<td>Financing costs</td>
<td>(306,380)</td>
</tr>
<tr>
<td><strong>TOTAL NONOPERATING EXPENSES</strong></td>
<td><strong>1,305,867</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>142,994,957</td>
</tr>
<tr>
<td><strong>Net Position at end of period</strong></td>
<td><strong>$178,009,901</strong></td>
</tr>
<tr>
<td>Activity</td>
<td>Amount</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>$246,853,878</td>
</tr>
<tr>
<td>Liquidated damages</td>
<td>6,600,000</td>
</tr>
<tr>
<td>Other operating receipts</td>
<td>2,662,023</td>
</tr>
<tr>
<td>Payments to suppliers for electricity</td>
<td>(196,982,672)</td>
</tr>
<tr>
<td>Payments for other goods and services</td>
<td>(8,838,956)</td>
</tr>
<tr>
<td>Payments for staff compensation and benefits</td>
<td>(3,859,077)</td>
</tr>
<tr>
<td>Tax and surcharge payments to other governments</td>
<td>(4,841,203)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td>$41,593,993</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Finance costs paid</td>
<td>(241,170)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by non-capital financing activities</strong></td>
<td>(241,170)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>(14,151)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Interest income received</td>
<td>1,612,247</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents</strong></td>
<td>42,950,919</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of year</strong></td>
<td>124,048,306</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>$166,999,225</td>
</tr>
</tbody>
</table>
Operating Income (loss) $ 33,709,077

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense</td>
<td>43,956</td>
</tr>
<tr>
<td>Revenue reduced for uncollectible accounts</td>
<td>947,630</td>
</tr>
<tr>
<td>(Increase) decrease in net accounts receivable</td>
<td>3,608,256</td>
</tr>
<tr>
<td>(Increase) decrease in energy settlements receivable</td>
<td>(135,008)</td>
</tr>
<tr>
<td>(Increase) decrease in other receivables</td>
<td>21,032</td>
</tr>
<tr>
<td>(Increase) decrease in accrued revenue</td>
<td>1,856,076</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>(3,280,499)</td>
</tr>
<tr>
<td>(Increase) decrease in current deposits</td>
<td>1,358,094</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>224,561</td>
</tr>
<tr>
<td>Increase (decrease) in accrued payroll &amp; benefits</td>
<td>(19,603)</td>
</tr>
<tr>
<td>Increase (decrease) in energy settlements payable</td>
<td>(472,269)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued cost of electricity</td>
<td>4,413,152</td>
</tr>
<tr>
<td>Increase (decrease) in accrued liabilities</td>
<td>(250,983)</td>
</tr>
<tr>
<td>Increase (decrease) in taxes and surcharges due to other governments</td>
<td>(359,095)</td>
</tr>
<tr>
<td>Increase (decrease) in supplier security deposits</td>
<td>(28,320)</td>
</tr>
</tbody>
</table>

Net cash provided (used) by operating activities $ 41,593,993
## SILICON VALLEY CLEAN ENERGY AUTHORITY
### BUDGETARY COMPARISON SCHEDULE
October 1, 2019 through July 31, 2020

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance</th>
<th>FY 2019-20 Budget</th>
<th>FY 2019-20 Remaining Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy Sales</td>
<td>$234,877,010</td>
<td>$251,043,754</td>
<td>-$16,166,744</td>
<td>-6%</td>
<td>$317,230,000</td>
</tr>
<tr>
<td>Green Prime Premium</td>
<td>1,082,798</td>
<td>774,994</td>
<td>307,804</td>
<td>40%</td>
<td>940,000</td>
</tr>
<tr>
<td>Liquidated Damages</td>
<td>6,600,000</td>
<td>-</td>
<td>6,600,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other Income</td>
<td>169,629</td>
<td>41,667</td>
<td>127,962</td>
<td>307%</td>
<td>50,000</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$242,729,437</td>
<td>$251,860,415</td>
<td>(9,130,978)</td>
<td>-4%</td>
<td>$318,220,000</td>
</tr>
</tbody>
</table>

| **Energy Expenses** | | | | | |
| Power Supply | 196,321,863 | 198,633,492 | (2,311,629) | -1% | 245,340,000 | 49,018,137 |
| Operating Margin | 46,407,574 | 53,226,923 | (6,819,349) | -13% | 72,880,000 | |

| **Operating Expenses** | | | | | |
| Data Management | 2,700,964 | 2,937,924 | (236,960) | -8% | 3,530,000 | 829,036 |
| PG&E Fees | 962,944 | 1,121,753 | (158,809) | -14% | 1,350,000 | 387,056 |
| Salaries & Benefits | 3,841,421 | 4,577,799 | (736,378) | -16% | 5,490,000 | 1,648,579 |
| Professional Services | 1,980,704 | 3,137,500 | (1,156,796) | -37% | 3,710,000 | 1,729,296 |
| Marketing & Promotions | 424,058 | 801,591 | (377,533) | -47% | 960,000 | 535,942 |
| Notifications | 83,495 | 88,000 | (4,505) | -5% | 160,000 | 76,505 |
| Lease | 318,738 | 500,000 | (181,262) | -36% | 600,000 | 281,262 |
| General & Administrative | 717,109 | 940,000 | (222,891) | -24% | 1,150,000 | 432,891 |
| **Total Operating Expenses** | $11,029,433 | $14,104,567 | (3,075,134) | -22% | $16,950,000 | $5,920,567 |

| **Operating Income/(Loss)** | $35,378,141 | $39,122,356 | (3,744,215) | -10% | $55,930,000 | $20,551,859 |

| **Non-Operating Revenues** | | | | | |
| Investment Income | 1,612,247 | 1,224,583 | 387,664 | 32% | 1,470,000 | (142,247) |
| Grant Income | - | 135,417 | (135,417) | -100% | 160,000 | 160,000 |
| **Total Non-Operating Revenues** | $1,612,247 | $1,360,000 | $252,247 | 19% | $1,630,000 | 17,753 |

| **Non-Operating Expenses** | | | | | |
| Financing | 306,380 | 164,825 | 141,555 | 86% | 180,000 | (126,380) |

| **Capital Expenditures, Transfers, & Other** | | | | | |
| Capital Outlay | 14,151 | 366,667 | (352,516) | -96% | 400,000 | 385,849 |
| Refund of Bond (Cash Inflow) | - | - | - | 0% | (100,000) | (100,000) |
| Financial Security Requirement | - | - | - | 0% | 147,000 | 147,000 |
| Transfer to Program Fund | 6,360,000 | 6,360,000 | - | 0% | 6,360,000 | - |
| Transfer to CRCR Fund | 8,500,000 | 8,500,000 | - | 0% | 8,500,000 | - |
| **Total Other Uses** | $14,874,151 | $15,226,667 | (352,516) | -2% | $15,307,000 | $432,849 |

| **Net Increase/(Decrease) in Available Fund Balance** | $21,809,857 | $25,090,864 | (3,281,007) | -13% | $42,073,000 | |
# SILICON VALLEY CLEAN ENERGY AUTHORITY
## PROGRAM FUND
### BUDGETARY COMPARISON SCHEDULE
October 1, 2019 through July 31, 2020

<table>
<thead>
<tr>
<th>REVENUE &amp; OTHER SOURCES:</th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>REMAINING</th>
<th>BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from Operating Fund</td>
<td>$6,360,000</td>
<td>$6,360,000</td>
<td>$0</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES &amp; OTHER USES:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenditures</td>
<td>6,360,000</td>
<td>1,579,454</td>
<td>4,780,546</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase (decrease) in fund balance</th>
<th></th>
<th>$0</th>
<th>$4,780,546</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance at beginning of period</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance at end of period</td>
<td>$4,780,546</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

# CUSTOMER RELIEF & COMMUNITY RESILIENCY FUND
### BUDGETARY COMPARISON SCHEDULE
October 1, 2019 through July 31, 2020

<table>
<thead>
<tr>
<th>REVENUE &amp; OTHER SOURCES:</th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>REMAINING</th>
<th>BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from Operating Fund *</td>
<td>$8,500,000</td>
<td>$8,500,000</td>
<td>$0</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES &amp; OTHER USES:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenditures *</td>
<td>8,500,000</td>
<td>45,651</td>
<td>8,454,349</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net increase (decrease) in fund balance</th>
<th></th>
<th>$0</th>
<th>$8,454,349</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund balance at beginning of period</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance at end of period</td>
<td>$8,454,349</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

*$3.5M of Customer Relief & Community Resiliency efforts aimed at providing bill credits to customers is reflected as a reduction in sales revenue on the main Operating Fund budget. Accordingly, this amount is not reflected in the CRCR budget presented above.
SILICON VALLEY CLEAN ENERGY AUTHORITY

BUDGET RECONCILIATION TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2019 through July 31, 2020

Net Increase (decrease) in available fund balance per budgetary comparison schedule $ 21,809,857

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

Subtract depreciation expense (43,959)
Subtract program expense not in operating budget (1,579,454)
Subtract CRCR expense not in operating budget (45,651)
Add back transfer to Program fund 6,360,000
Add back transfer to Customer Relief & Community Resiliency fund 8,500,000
Add back capital asset acquisition 14,151

Change in Net Position 35,014,944
## SILICON VALLEY CLEAN ENERGY AUTHORITY

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

#### October 1, 2019 through July 31, 2020

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green electricity premium</td>
<td>117,448</td>
<td>97,649</td>
<td>111,859</td>
<td>121,089</td>
<td>103,324</td>
<td>120,092</td>
<td>102,355</td>
<td>80,481</td>
<td>114,482</td>
<td>114,019</td>
<td>1,062,798</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquidated damages</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,600,000</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>40,200</td>
<td>53,094</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,600,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>30,886,662</td>
<td>22,001,584</td>
<td>21,089,033</td>
<td>22,591,506</td>
<td>19,797,685</td>
<td>20,579,107</td>
<td>26,149,791</td>
<td>24,040,962</td>
<td>27,382,501</td>
<td>28,210,606</td>
<td>242,729,437</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff compensation and benefits</td>
<td>358,403</td>
<td>325,710</td>
<td>427,518</td>
<td>371,306</td>
<td>350,980</td>
<td>411,965</td>
<td>384,658</td>
<td>400,351</td>
<td>405,921</td>
<td>404,609</td>
<td>3,841,421</td>
<td></td>
<td></td>
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<tr>
<td>Data manager</td>
<td>291,256</td>
<td>290,953</td>
<td>291,025</td>
<td>260,475</td>
<td>261,133</td>
<td>261,253</td>
<td>259,596</td>
<td>260,000</td>
<td>262,078</td>
<td>263,195</td>
<td>2,700,964</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>249,638</td>
<td>266,760</td>
<td>499,433</td>
<td>499,433</td>
<td>499,433</td>
<td>499,433</td>
<td>499,433</td>
<td>499,433</td>
<td>499,433</td>
<td>499,433</td>
<td>3,706,899</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administration</td>
<td>153,979</td>
<td>210,400</td>
<td>211,420</td>
<td>183,108</td>
<td>30,495</td>
<td>199,289</td>
<td>110,396</td>
<td>103,391</td>
<td>135,078</td>
<td>104,757</td>
<td>1,442,313</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,375</td>
<td>4,375</td>
<td>4,560</td>
<td>4,612</td>
<td>4,612</td>
<td>4,612</td>
<td>4,612</td>
<td>4,612</td>
<td>4,612</td>
<td>2,974</td>
<td>43,956</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>16,500,329</td>
<td>16,445,331</td>
<td>17,117,709</td>
<td>20,740,996</td>
<td>20,279,269</td>
<td>27,515,239</td>
<td>21,493,042</td>
<td>21,963,288</td>
<td>22,401,609</td>
<td>24,563,548</td>
<td>209,020,360</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>14,386,333</td>
<td>5,556,253</td>
<td>3,971,324</td>
<td>1,850,510</td>
<td>(481,584)</td>
<td>(6,936,132)</td>
<td>4,656,749</td>
<td>2,077,674</td>
<td>4,980,892</td>
<td>3,647,058</td>
<td>33,709,077</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>180,933</td>
<td>184,968</td>
<td>196,888</td>
<td>206,014</td>
<td>185,526</td>
<td>188,324</td>
<td>144,189</td>
<td>140,441</td>
<td>104,689</td>
<td>80,275</td>
<td>1,612,247</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financing costs</td>
<td>(135,103)</td>
<td>(9,316)</td>
<td>(9,315)</td>
<td>(9,316)</td>
<td>(9,316)</td>
<td>(9,316)</td>
<td>(9,316)</td>
<td>(9,316)</td>
<td>(9,316)</td>
<td>(9,316)</td>
<td>(306,380)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total nonoperating revenues (expenses)</strong></td>
<td>45,830</td>
<td>175,652</td>
<td>187,573</td>
<td>196,698</td>
<td>155,622</td>
<td>179,009</td>
<td>134,873</td>
<td>45,586</td>
<td>104,689</td>
<td>80,275</td>
<td>1,305,867</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td>$14,432,163</td>
<td>$5,731,905</td>
<td>$4,158,897</td>
<td>$2,047,208</td>
<td>($325,902)</td>
<td>($6,757,123)</td>
<td>$4,791,622</td>
<td>$2,123,260</td>
<td>$5,085,581</td>
<td>$3,727,333</td>
<td>$35,014,944</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**July 2020 Treasurer Report**
**SILICON VALLEY CLEAN ENERGY AUTHORITY**  
**INVESTMENTS SUMMARY**  
October 1, 2019 through July 31, 2020

<table>
<thead>
<tr>
<th>Return on Investments</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>$180,933</td>
<td>$184,968</td>
<td>$196,888</td>
<td>$208,014</td>
<td>$185,526</td>
<td>$188,324</td>
<td>$144,189</td>
<td>$140,441</td>
<td>$104,689</td>
<td>$80,275</td>
<td>$0</td>
<td>$0</td>
<td>$1,612,247</td>
</tr>
</tbody>
</table>

**Portfolio Invested**

- **Average daily portfolio available to invest**: 114,832,942  
  124,956,925  
  140,310,822  
  148,981,775  
  150,166,653  
  149,893,470  
  151,620,999  
  158,860,920  
  149,632,269  
  144,300,184  
  $1,612,247

- **Average daily portfolio invested**: 102,127,452  
  120,538,388  
  130,715,414  
  137,957,394  
  139,005,163  
  140,220,462  
  149,136,404  
  141,669,779  
  141,669,779  
  138,623,502

- **% of average daily portfolio invested**: 88.9%  
  96.5%  
  93.2%  
  92.6%  
  91.7%  
  92.7%  
  92.5%  
  93.9%  
  94.7%  
  96.1%

**Detail of Portfolio**

<table>
<thead>
<tr>
<th>Money Market - River City Bank</th>
<th>Opening Rate</th>
<th>July Rate</th>
<th>Carrying Value</th>
<th>Interest Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.26%</td>
<td>0.69%</td>
<td>$146,582,188</td>
<td>$80,209</td>
</tr>
</tbody>
</table>

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

RESIDENTIAL ACCOUNTS

NON-RESIDENTIAL ACCOUNTS
### Accounts Receivable Aging Report

<table>
<thead>
<tr>
<th></th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 30 days</td>
<td>86.6%</td>
<td>84.7%</td>
<td>88.3%</td>
<td>87.9%</td>
<td>82.6%</td>
<td>82.8%</td>
<td>83.7%</td>
<td>84.8%</td>
</tr>
<tr>
<td>31 to 60 days</td>
<td>4.9%</td>
<td>5.1%</td>
<td>4.6%</td>
<td>4.1%</td>
<td>7.9%</td>
<td>6.2%</td>
<td>6.8%</td>
<td>5.6%</td>
</tr>
<tr>
<td>61 to 90 days</td>
<td>3.0%</td>
<td>2.4%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>2.5%</td>
<td>3.3%</td>
<td>2.7%</td>
<td>2.6%</td>
</tr>
<tr>
<td>91 to 120 days</td>
<td>0.8%</td>
<td>1.6%</td>
<td>0.9%</td>
<td>1.3%</td>
<td>1.5%</td>
<td>2.1%</td>
<td>1.7%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Over 120 days</td>
<td>4.7%</td>
<td>6.2%</td>
<td>4.4%</td>
<td>4.9%</td>
<td>5.6%</td>
<td>5.6%</td>
<td>5.0%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

**AGE SUMMARY**

- **Accounts Receivable Days**: 43 DAYS
- **Total Due**: $28,916,162
- **Bad Debt % (Budget)**: 0.5%

**$24,526,644**

- **<30 days**: $1,623,338
- **<60 days**: $750,770
- **<90 days**: $553,289
- **<120 days**: $1,462,121
- **Older**
**Staff Report – Item 1c**

**Item 1c:** Authorize the Chief Executive Officer to Execute a Confirmation Agreement with PG&E to Receive Carbon-free Allocation for 2021 to 2023 Deliveries

From: Girish Balachandran, CEO

Prepared by: Monica Padilla, Director of Power Resources
Ian Williams, Manager of Power Resources

Date: 10/14/2020

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**RECOMMENDATION**

Authorize the Chief Executive Officer (“CEO”) to execute a Confirmation Agreement with Pacific Gas and Electric (PG&E) to receive an allocation of greenhouse gas free (“GHG or carbon-free”) attributes paid for by SVCE customers and associated with PG&E’s large hydroelectric plants and its nuclear plant (Diablo Canyon Power Plant (“DCPP”)) for expected deliveries to start in 2021 and go through the end of 2023.

**EXECUTIVE COMMITTEE MEETING RECOMMENDATION**

At the Board’s September 25, 2020 Executive Committee meeting, staff presented for approval a request to delegate authority to the CEO to execute a Confirmation Agreement with PG&E to receive SVCE’s full allocation of carbon free large hydro and nuclear resources for 2021 through 2023. The Executive Committee voted unanimously to support staff’s request and noted that the request extends the Board’s previously approved policy to accept the full recommendation and therefore should be placed on consent for the October 14, 2020 Board meeting.

**BACKGROUND**

Silicon Valley Clean Energy Authority (“SVCE”) has a 100% clean energy goal comprised of an aggressive Renewable Portfolio Standard (RPS)\(^1\) of 50% in 2020 with the balance coming from non-RPS carbon-free resources such as large hydroelectricity. Market prices for carbon-free non-RPS energy have increased dramatically due to the proliferation of CCAs increasing the demand for these attributes.

After multiple discussions with the Board to discuss the merits of taking SVCE’s full allocation of PG&E’s carbon-free resource, at its April 8, 2020 meeting, the Board ultimately approved a delegation of authority to execute a Confirmation Agreement with PG&E to receive the full interim allocation for 2020 associated with PG&E’s carbon-free resources (i.e., large hydroelectric and nuclear) with the understanding that longer-term allocations were likely to be sought by staff. SVCE signed the Confirmation Agreement with PG&E and has been receiving its share of PG&E’s large hydro and nuclear energy production since June 2020. In total, staff expects to receive 600 gigawatt hours (GWh) of carbon-free allocations, representing 15% of SVCE’s load and an avoided cost of $500,000.

In August 2020, PG&E filed an Advice Letter (5930-E) with the California Public Utilities Commission (CPUC) seeking approval to extend the carbon-free allocations through 2023. Should the CPUC approve PG&E’s request, SVCE will be entitled to its pro rata share of PG&E’s carbon-free resources under the same or substantively similar terms and conditions as provided in the Confirmation Agreement for the 2020 interim allocations. Via a separate CPUC proceeding that has been underway since last summer, a decision related to the allocation for the post-2020 period is expected by the end of 2020 for the optimal use and/or allocations of PG&E and other California investor owned resources including carbon-free, RPS eligible resources and resource adequacy assets.

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\(^1\) RPS resources are clean, carbon-free energy deemed eligible by the California Energy Commission (CEC) and include solar, wind, small hydro, geothermal and biomass. For 2020, California’s mandated RPS is 33% of retail sales.
ANALYSIS & DISCUSSION

SVCE’s ability to cost effectively achieve its clean energy goals continues to be a challenge. Increasing costs associated with procuring short-term renewable resources and the lead time necessary to acquire and bring online long-term renewable resources necessitate a reliance on carbon-free, non-RPS, resources such as large hydro and nuclear resources, in order to maintain SVCE’s product affordability and financial strength. However, the ability to secure large hydro resources also has challenges which includes scarcity due to drought, increasing demand from other clean energy providers, the development clean energy goals for neighboring states and the complexity of transmitting from out of state.

Should the CPUC approve PG&E’s Advice Letter, SVCE’s share of carbon-free resources could meet 33% of its retail sales in years 2021 through 2023. Cumulatively this represents a savings of $11 to $20 million to SVCE’s ratepayers depending on the amount of allocations available and market value.

Should the Board approve receiving the full or partial allocation of PG&E’s carbon free resources and pending execution of a Confirmation Agreement with PG&E, staff will return to the Board with a recommendation for how to best utilize the potential savings including funding for the following:

- Resiliency programs
- Equity programs
- Invest in local resources
- Workforce training
- Build financial reserves

STRATEGIC PLAN

Execution of a Confirmation Agreement with PG&E comprised of allocated carbon-free attributes including attributes generated by DCPP for deliveries in 2021 through 2023 will better enable staff to meet its clean power supply goals and rate objectives as provided for in SVCE’s Strategic Plan, Power Supply Goals 11 and 12. In addition, the allocation from PG&E’s portfolio provides equity as PG&E currently assigns all the carbon-free attributes to its own Power Content Label while CCAs are obligated to pay the above market costs associated with these carbon-free resources.

ALTERNATIVES

The alternatives to the recommendation include rejecting large hydro and/or nuclear allocations and allowing PG&E to retain SVCE’s load share of its carbon-free non-RPS portfolio and maintain the 100% carbon free goal at a higher cost than the recommended alternative. These alternatives would expose SVCE to significantly higher carbon-free procurement costs and fail to remedy the inequity associated with PG&E using its entire carbon-free non-RPS portfolio on its Power Content Label while SVCE customers pay the PCIA for those resources without receiving the carbon-free benefits.

Additionally, rejecting SVCE’s allocation of the carbon free attributes from Diablo Canyon will have no impact on the operation of the Diablo Canyon nuclear power plant. Diablo Canyon, like any other nuclear power generation, will always operate at full capacity 24/7 except during times of maintenance and inspection, generally scheduled for 3 weeks in the late Fall. Therefore, accepting or rejecting the free allocation should have no impact on the operation of the plant, nor for that matter, the flow of electricity from the plant to the grid, understanding that electricity travels in the path of least resistance. Neither alternative will impact the planned staggered closure of the plant’s two units in 2024 and 2025.

FISCAL IMPACT

Approval of the request to delegate authority to execute a Confirmation Agreement with PG&E for full allocation of carbon-free resources is expected to result in a net contribution to reserves between $11-$20 million by end of 2023.
Staff Report – Item 1d

Item 1d: SVCE 2019 Annual Power Source Disclosure Report Attestation

From: Girish Balachandran, CEO

Prepared by: Monica Padilla, Director of Power Resources
Thomass Messier, Power Settlements & Compliance Analyst

Date: 10/14/2020

RECOMMENDATION
Staff recommends that the Board approve the use of statistics reflected in SVCE’s 2019 annual Power Source Disclosure reports for purposes of preparing SVCE’s 2019 Power Content Label and endorse the accuracy of information presented in SVCE’s 2019 Power Source Disclosure report for Green-Start service.

BACKGROUND
California Public Utilities Code requires all retail sellers of electric energy, including SVCE, to disclose "accurate, reliable, and simple-to-understand information on the sources of energy" that are delivered to their respective customers. Applicable regulations direct retail sellers to provide such communications to customers following each year of operation. The format for requisite communications is highly prescriptive, offering little flexibility to retail sellers when presenting such information to customers. This format has been termed the "Power Content Label" (or PCL) by the California Energy Commission (CEC). Prior to distributing the PCL to its customers, SVCE annually submits a report regarding its specified power purchases to the CEC. This report is a required element of California’s Power Source Disclosure Program (PSD Program) and was timely submitted to the CEC prior to the July 20th reporting deadline. Both the aforementioned annual report and the PCL are required elements of California’s PSD Program, and information reflected in the annual report is contributory to the PCL (with the annual report’s power supply breakout being inserted in the PCL).

Information presented in the PCL includes the proportionate share of total energy supply attributable to various resource types, including both renewable and conventional fuel sources. SVCE’s communications team is in the process of designing the 2019 Power Content Label.

ANALYSIS & DISCUSSION
During the 2019 calendar year, SVCE successfully delivered a substantial portion of its electric energy supply from various renewable energy sources, including wind, solar, geothermal, hydroelectricity, biomass and biogas – for Green-Start customers, the percentage of supply attributable to renewable energy sources approximated 46 percent; for Green-Prime customers, renewable energy comprised 100 percent of the supply portfolio.

Consistent with applicable regulations, SVCE will complete requisite customer communications following the Board’s approval of pertinent information to be included in the 2019 PCL. Customers receiving PCL

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1 California Public Utilities Code Section 398.1(b) Note: that Section (b)(1), as referenced in the excerpt from applicable PSD regulations, refers to the completion of annual independent audits.
communications will include those enrolled in the SVCE program as of December 31, 2019 – the distribution list was derived based on prior discussions with designated CEC staff.

SVCE’s Green-Prime retail service option is a Green-e Energy certified product, conforming to guidelines established by the Center for Resource Solutions, the Green-e Energy program administrator. As part of this certification, SVCE must successfully complete an annual independent audit of power sources, ensuring the delivery of qualifying renewable energy to participating Green-Prime customers. Such audits were timely completed, noting “no exceptions” in related audit reports.

While preparing SVCE’s 2019 annual PSD report, staff performed a detailed review of all power purchases completed for the 2019 calendar year. This review included an inventory of all renewable energy transfers within SVCE’s Western Renewable Energy Generation Information System (WREGIS) accounts, pertinent transaction records, and requisite independent audits for SVCE’s voluntary Green-Prime, 100% renewable energy program, which also provides 100% renewable energy to participating customers. Based on staff’s review of available data and findings of the independent auditor (related to the Green-Prime product offering), the information presented in the annual report was determined to be accurate. Again, such information will be reflected in SVCE’s upcoming PCL for 2019 operations.

To fulfill its obligations under the PSD Program, SVCE must also provide the CEC with an attestation of its Governing Board regarding the accuracy of information included in the PSD annual reports.

Because SVCE’s Green-Prime product offering is independently audited (a process that was completed in June 2020 for the 2019 operating year), SVCE is proceeding with self-certification of its annual report for the Green-Start product offering, consistent with PSDP regulations. Evidence of such attestation (for Green-Start) as well as the aforementioned audit report (for Green-Prime) must be provided to the CEC by October 1st.

Should the Board endorse staff’s recommendation, a copy of this staff report, related meeting minutes and a copy of SVCE’s 2019 Audit Report for the Green-Prime product offering will be forwarded to the CEC, thereby completing SVCE’s obligations under the PSD Program for the 2019 calendar year.

STRATEGIC PLAN
As referenced in SVCE’s Strategic Plan, SVCE will use various channels and platforms to cultivate relationships with and bring customer value to all segments of the communities we serve. Complying with these regulations will increase customer trust and continue SVCE’s transparency.

ALTERNATIVE
Should the Board choose not to endorse the information provided for the power content label, staff will need to file an extension with the CEC and hire an auditor to review SVCE’s data for compliance.

FISCAL IMPACT
N/A

ATTACHMENTS
1. 2019 SVCE Power Content Label
## 2019 POWER CONTENT LABEL
### SILICON VALLEY CLEAN ENERGY
www.svcleanenergy.org

<table>
<thead>
<tr>
<th>ENERGY RESOURCES</th>
<th>GreenPrime</th>
<th>GreenStart</th>
<th>2019 CA Power Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Renewable¹</td>
<td>100.0%</td>
<td>46.4%</td>
<td>31.7%</td>
</tr>
<tr>
<td>Biomass &amp; Biowaste</td>
<td>0.0%</td>
<td>1.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Geothermal</td>
<td>0.0%</td>
<td>3.9%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Eligible Hydroelectric</td>
<td>0.0%</td>
<td>8.3%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Solar</td>
<td>25.0%</td>
<td>17.6%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Wind</td>
<td>75.0%</td>
<td>15.6%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Coal</td>
<td>0.0%</td>
<td>0.0%</td>
<td>3.0%</td>
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<tr>
<td>Large Hydroelectric</td>
<td>0.0%</td>
<td>53.5%</td>
<td>14.6%</td>
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<td>Natural Gas</td>
<td>0.0%</td>
<td>0.0%</td>
<td>34.2%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>0.0%</td>
<td>0.0%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Other</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Unspecified sources of power²</td>
<td>0.0%</td>
<td>0.0%</td>
<td>7.3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Percentage of Retail Sales Covered by Retired Unbundled RECs³
- 0.0%

¹The eligible renewable percentage above does not reflect RPS compliance, which is determined using a different methodology.

²Unspecified power is electricity that has been purchased through open market transactions and is not traceable to a specific generation source.

³Renewable energy credits (RECs) are tracking instruments issued for renewable generation. Unbundled renewable energy credits (RECs) represent renewable generation that was not delivered to serve retail sales. Unbundled RECs are not reflected in the power mix or GHG emissions intensities above.

For specific information about this electricity product, contact:
**Silicon Valley Clean Energy**  
1-844-474-SVCE (7823)

For general information about the Power Content Label, please visit: [http://www.energy.ca.gov/pcl/](http://www.energy.ca.gov/pcl/)

For additional questions, please contact the California Energy Commission at:  
Toll-free in California: 844-454-2906  
Outside California: 916-653-0237
Staff Report – Item 1e

Item 1e: Adopt Resolution to Authorize the Chief Executive Officer to Amend the Authority Delegated Under Approved Master Service Agreements with Energy and Environmental Economics, Hanover Strategy Advisors, Flynn Resources Consulting, and Ascend Analytics

From: Girish Balachandran, CEO

Prepared by: Monica Padilla, Director of Power Resources
Kevin Armstrong, Administrative Services Manager

Date: 10/14/2020

RECOMMENDATION
Staff recommends that the Board approve an amendment to the authority delegated under the master service agreements with Flynn Resources Consulting Inc. ("Flynn"), Hanover Strategy Advisers ("Hanover") and Ascend Analytics Inc. ("Ascend") approved under Resolution No. 2018-15, and amended under Resolution No. 2019-20 to include Energy and Environmental Economics ("E3") to increase the total expenditure authorization to $1,500,000.00, and extend the term by six months, from September 30, 2021 to March 31, 2022.

EXECUTIVE COMMITTEE RECOMMENDATION
The Executive Committee met September 25, 2020 and received a presentation on the request to amend the master consulting agreements. The committee supported the request in addition to placing the item on the consent calendar so long as suggested language regarding contract review was included in the staff report; this language has been incorporated. The committee voted unanimously to recommend Board approval of an amendment to the resolution authorizing the CEO under Master Consultant Agreements to spend up to $1.5M inclusive through March 31, 2022.

BACKGROUND
SVCE has a need to rapidly advance its portfolio management and retail pricing capabilities with the goals of reducing costs, managing risk and enhancing value for its customers through various rate offerings in order to meet the Board-adopted mission and policies. Staff's ability to effectively monitor, digest and respond to this huge influx of legislative and regulatory changes along with increasing demands to improve internal processes and efficiencies, reduce costs and enhance the customer's value proposition is limited by existing bandwidth and tools.

At the November 2018 Board of Directors Meeting, the Board authorized the CEO to spend up to $1,000,000 through the Master Consulting Agreements (MCA) with Flynn, Hanover, Ascend, and later in 2019 amended the MCA to include E3. This spending authority was granted through September 30, 2021. Consultant work under the existing MCA has been directed toward Direct Access offerings, PCIA analysis, Risk Management, Portfolio Analysis, Integrated Resource Planning, Regulatory Support, Distributed Energy Resource analysis, and Compliance reporting.

ANALYSIS & DISCUSSION
Staff has relied heavily on the use of consultants under the current MCA and intends to fully utilize the $1M previously approved by Board. As work has progressed under the MCA, additional operational complexities,
and delays in training and hiring new staff have increased the need for consultant services, primarily from Ascend Analytics, beyond the originally projected agreement scope and term.

Under this proposed increase and extension of the MCA, SVCE anticipates tasking Ascend with services including, but not limited, to the following:

- 2021-30 Integrated Resource Plan and implementation
- Enhanced risk management analytics, reporting and training
- Long Duration Storage project evaluation (new)
- Large customer custom product offerings
- Virtual Power Plant valuation
- Implementation of RPS PPAs

The individual contracts under the MCA were reviewed for language and consistency. This $500,000 increase scope and 6-month term extension on the MCA is intended to serve as a bridge measure, allowing SVCE to deepen its staffing and plan for additional future services in tandem. During late 2020, SVCE will focus efforts on hiring additional Power Resources staff, an effort that is already underway. In 2021, in order to review and re-open the MCA to competition, SVCE intends to issue an RFP for ongoing consultant and portfolio management services.

**STRATEGIC PLAN**

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

- **Goal 2:** Maintain competitive rates to acquire and retain customers
  - Strategy 2.1: Provide carbon-free electricity to additional customers in the SVCE service area and increase market share;
- **Goal 12:** Manage power supply resources and risks to financial and rate objectives
  - Strategy 12.1: Optimize existing resources to increase value to SVCE customers and evaluate opportunities to minimize cost of procuring and scheduling electricity and related products; and
  - Strategy 12.2: Manage market price, credit, load and supplier volume risk to meet rate and financial objectives

**ALTERNATIVE**

Staff determined that recent experience under the Master Consulting arrangements points to expeditiously expanding the scope of task orders with Ascend. Alternatively, the Board may direct staff to more expeditiously issue an RFP to select one or more consultants and bring each consultant agreement to the Board for approval. This approach is not recommended due to the experience gained with Ascend through the current MCA and the synergies with existing task orders.

**FISCAL IMPACT**

The Board approved Resolution 2018-15 which authorized the CEO to spend an amount not to exceed one million dollars ($1,000,000) in aggregate through September 30, 2021, for all service agreements, including Flynn, Hanover, and Ascend. Spending under this amendment to the Approved Master Services Agreements would have an additional fiscal impact of $500,000 through new task orders, extended through March 31, 2022, and subject to Board appropriations. Staff has reported spending to the Board under the agreements on a quarterly basis. The table below is a summary of expenditures and commitments to date.
### ATTACHMENTS

1. Resolution 2020-27 Authorizing the CEO to Amend the Authority Set Under Resolution No. 2018-15

<table>
<thead>
<tr>
<th>Consultant</th>
<th>Expected Expenditures</th>
<th>Expenses</th>
<th>Remaining Balance</th>
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<tbody>
<tr>
<td>Ascend Analytics</td>
<td>$ 870,557.00</td>
<td>$532,543.95</td>
<td>$ 338,013.05</td>
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<tr>
<td>Energy &amp; Environmental Economics (E3)</td>
<td>$ 15,000.00</td>
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<td>$ 5,000.00</td>
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<td>Flynn Resources Consulting, Inc.</td>
<td>$ 80,000.00</td>
<td>$29,962.50</td>
<td>$ 50,037.50</td>
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<tr>
<td>Hanover Strategy Advisors, LLC</td>
<td>$ 26,700.00</td>
<td>$ 24,700.00</td>
<td>$ 2,000.00</td>
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<td><strong>TOTAL</strong></td>
<td><strong>$ 992,257.00</strong></td>
<td><strong>$ 597,206.45</strong></td>
<td><strong>$ 395,050.55</strong></td>
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<tr>
<td>Master Consultant Agreement NTE Authority</td>
<td><strong>$1,000,000.00</strong></td>
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<tr>
<td>Remaining Balance</td>
<td><strong>$ 7,743.00</strong></td>
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</table>
SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2020-27

RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO AMEND APPROVED MASTER SERVICES AGREEMENT WITH ENERGY AND ENVIRONMENTAL ECONOMICS, HANOVER STRATEGY ADVISORS, FLYNN RESOURCES CONSULTING INC. AND ASCEND ANALYTICS, INC.

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

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

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

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

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

WHEREAS, on November 14, 2018 the Board via Resolution No. 2018-15 delegated authority to the Chief Executive Officer (CEO) to execute service agreements with the following consultants currently parties to the Master Consulting Agreement:

Hanover Strategy Advisors
Flynn Resources Consulting
Ascend Analytics

WHEREAS, the Board further delegated to the CEO a total expenditure authorization under the Master Consulting Agreements of one million dollars ($1,000,000) through September 30, 2021 inclusive and subject to sufficient appropriations approved by the Board in each fiscal year;

WHEREAS, SVCE has committed through task orders $992,257.00 as of October 1, 2020, within Board approved appropriations;

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

WHEREAS, additional operational complexities, and delays in training and hiring new staff have increased the need for consultant services, primarily from Ascend Analytics, beyond the originally projected agreement scope and term.
WHEREAS, Silicon Valley Clean Energy desires to amend the Approved Master Services Agreement with Energy and Environmental Economics, Hanover Strategy Advisors, Flynn Resources Consulting and Ascend Analytics.

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

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

Adopt Resolution No. 2020-27 to authorize the Chief Executive Officer (CEO) to amend the authority delegated to the CEO under the Master Consulting Agreements with Energy and Environmental Economics (“E3”), Flynn Resources Consulting Inc. (“Flynn”), Hanover Strategy Advisers (“Hanover”) and Ascend Analytics Inc. (“Ascend”) approved under Resolution No. 2018-15 and amended under Resolution No. 2019-20 to increase the total expenditure authorization to $1,500,000.00 and extend the term to March 31, 2022.

ADOPTED AND APPROVED this 14th day of October 2020 by the following vote:

<table>
<thead>
<tr>
<th>JURISDICTION</th>
<th>NAME</th>
<th>AYE</th>
<th>NO</th>
<th>ABSTAIN</th>
<th>ABSENT</th>
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<tr>
<td>City of Campbell</td>
<td>Director Gibbons</td>
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<td>Director Sinks</td>
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<tr>
<td>City of Milpitas</td>
<td>Director Montano</td>
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<td>Director Ellahie</td>
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<td>Director Martinez Beltran</td>
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<tr>
<td>City of Sunnyvale</td>
<td>Director Smith</td>
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_______________________________
Chair

ATTEST:

_______________________________
Clerk
Staff Report – Item 1f

Item 1f: Approve Health Savings Account Benefit Option for SVCE Employees

From: Girish Balachandran, CEO
Prepared by: Kevin Armstrong, Administrative Services Manager
Date: 10/14/2020

RECOMMENDATION
Staff recommends that the Board approve amendments to the employee handbook and the addition of a Health Savings Account (HSA) option as a new benefit that employees may elect to participate in. SVCE would contribute up to $400 per month to an employee HSA, subject to IRS limits.

FINANCE AND ADMINISTRATION COMMITTEE RECOMMENDATION
The Finance and Administration committee met on September 15th, 2020 and received a presentation on the request to add a Health Savings Account benefit option. The committee was unanimous in recommending that staff present the Health Savings Benefit Account option to the full Board. The committee appreciated the effort to provide additional cost-neutral benefit options to staff.

BACKGROUND
In an effort to provide employees with additional benefit options and increased flexibility, employees may consider enrolling in a High-Deductible Health Plan (HDHP) and Health Savings Account (HSA) or a combination of the Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Health Reimbursement Account (HRA) and Health Flexible Savings Account (Health FSA) options currently provided. As our existing offerings may not work for all employees currently, or in the future, adding the HSA provides additional options to our staff. HSAs enable employees to grow their savings in a tax-deferred investment account, as contributions stay with the employee throughout their lifetime. This is similar to many qualified retirement accounts, but HSA withdrawals can only be used for healthcare expenses.

ANALYSIS & DISCUSSION
SVCE’s analysis of the HDHP / HSA option shows that it can be implemented in a budget-neutral manner, as the projected cost of the SVCE-funded premiums + HSA contributions would be no greater than existing SVCE-funded premiums and HRA expenditures, due in large part to lower premiums for HSA-compatible health plans.

• SVCE currently contributes up to $1500 / month / employee for benefits, including premiums and HRA contributions
• Current employee expenditures are closer to $900 / month
• However, HDHP / HSA-compatible premiums are generally lower than HMO / PPO premiums, potentially saving SVCE hundreds per month
• Note: FSA contributions remain constant across options, and are excluded from the analysis
Based on this analysis, the combination of reduced HDHP health premiums plus reduced HRA contributions could yield up to $400 / month available for contribution to an HSA. However, HSA contributions are limited each year by the IRS and are currently set at $3550 for individuals / $7100 for families.

Based on the analysis and the IRS limits, staff proposes the following SVCE contributions to employee HSAs:

- $296 / month for individuals (up to the IRS individual limit)
- $400 / month for families (based on analysis of cost-neutrality)

If approved by the Board, staff would begin outreach to employees in October, through the end of the year, in preparation for open enrollment in January and the start of the new benefits year in February 2021.

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

**ALTERNATIVE**
If the Health Savings Account Benefit option is not adopted by the Board, staff would continue to be able to utilize existing benefit options, including the Health Reimbursement Account and Health Flexible Savings Account.

**FISCAL IMPACT**
There is no fiscal impact with this report.

**ATTACHMENTS**
1. Staff Presentation on Health Savings Accounts
2. Updated Employee Handbook
Employee Benefit Option – Health Savings Account

Board of Directors
October 14, 2020
Why a Health Savings Account Option?

• SVCE currently offers a generous set of benefits
  • Health Premiums, funded up to $1000 / month / employee
  • Health Reimbursement Account (HRA), a $500 / month / employee contribution
  • Flexible Spending Accounts (FSAs); a $200 / month / employee contribution (includes Health FSA, Parking, Transportation, and Dependent Care options)

• Some employees could benefit from additional options, however

• Adding a High-Deductible Health Plan (HDHP) and Health Savings Account option would provide additional flexibility and be cost neutral
An Option: Health Savings Accounts

A Health Savings Account (HSA) is like a personal savings account, but it can only be used for qualified healthcare expenses. To be eligible, you must be enrolled in a High-Deductible Health Plan (HDHP). HSAs also have some important tax advantages.

Contributions to HSAs generally aren't subject to federal income tax, and the earnings in the account grow tax-free.

Unspent money in an HSA rolls over at the end of the year so it's available for future health expenses.

Cannot have an HRA/Health FSA and an HSA at the same time.
Before/After Introduction of HSA

**Current**

- Traditional health plan options through CalChoice
- HRA contribution from SVCE
- FSA contribution from SVCE used for parking, transportation, dependent care, and/or health spending

**With an HSA Plan**

- Additional high deductible health plan options through CalChoice
- Employees can choose an HSA instead of an HRA and Health FSA
- Employees choosing the HSA still get the parking, transportation, and dependent care FSA
Employee Interest in HSA Option?

• August 28th presentation to staff with follow-up survey
  • 15 staff attended
  • 8 staff completed exit survey
  • 5 staff indicated potential interest in HSA option

• Employees have asked for an HSA option in the past

• CalChoice offers several HDHP plans open to SVCE employees; Igoe (FSA Administrator) offers HSA plan administration
**Cost-Neutral Implementation**

- SVCE currently contributes up to $1500 / month / employee for benefits, including premiums and HRA contributions.

- Current employee expenditures are closer to $900 / month.

- However, HDHP / HSA-compatible premiums are generally lower than HMO / PPO premiums, potentially saving SVCE hundreds per month.

- Note: FSA contributions remain constant across options, and are excluded from the analysis.
## Cost-Neutral Example

<table>
<thead>
<tr>
<th></th>
<th>SVCE Cost - Maximum</th>
<th>SVCE Cost – Current (example)</th>
<th>SVCE Cost – HDHP / HSA (example)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Premium</td>
<td>$1000</td>
<td>$750</td>
<td>$500</td>
</tr>
<tr>
<td>HRA Contribution / Expenditure</td>
<td>$500</td>
<td>$150</td>
<td>$0</td>
</tr>
<tr>
<td>Total SVCE Contribution / Expenditure</td>
<td>$1500</td>
<td>$900</td>
<td>$500</td>
</tr>
<tr>
<td>Potential HSA Contribution</td>
<td>$0</td>
<td>$0</td>
<td>Up to $400</td>
</tr>
</tbody>
</table>

Amounts are per employee per month
Proposed SVCE HSA Contribution Amount

- SVCE Benefits Analysis shows that reduced HDHP health premiums plus reduced HRA contributions could yield up to $400 / month available for contribution to an HSA

- HSA Contributions are limited by the IRS each year and are currently set at:
  - $3550 for individuals / $7100 for families

- Staff proposes contributing the following:
  - $296 / month for individuals (up to the IRS individual limit)
  - $400 / month for families (based on analysis of cost-neutrality)
Implementation Steps

• Seek recommendation for approval from Finance & Administration Committee - complete

• Seek Board of Directors approval at October 14th meeting
  • Delegate implementation to CEO

• Employee communications (October - December)
• Open enrollment period (January 2021)
• HSA in place February 1, 2021 (new benefits year)
Questions?
In the future, please insert revision pages and discard the old pages.

333 W. El Camino Real, Suite 330290 Sunnyvale, CA 94086
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**Issue Date:** December 1, 2016  
**Revised:** February-October 14,
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October 1,

201820 Dear

Employee:

Thank you for joining our team. We are confident you will find our agency a dynamic and rewarding place to work and we look forward to having you on our team.

The following pages contain information regarding many of the policies and procedures of SVCE. As a public agency, SVCE has policies and procedures in place in accordance with state and federal laws that may differ from non-profit agencies and private companies.

The procedures, practices, policies and benefits described here may be modified or discontinued from time to time. You will be informed of any changes as they occur.

SVCE values the many talents and abilities of its employees and seeks to foster an open, creative and dynamic environment where employees and the agency can thrive. If you would like further information or have questions about any of the policies and procedures outlined in this handbook, please feel free to bring them to my attention.

Regards,

Girish Balachandran
Chief Executive Officer
Chapter 1-INTRODUCTORY POLICIES

Introduction & Future Revisions

As an employee of SVCE, we hope you will find your employment to be both rewarding and challenging. Because the quality of our employees is the key to our success, we carefully select our new employees. In turn, we expect employees to contribute measurably to the success of the agency.

This Handbook is designed to acquaint you with our policies and benefits. It is NOT a contract and must not be read to create contractual obligations. Additionally, nothing in this employee handbook, or in any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

In the future we may, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this employee handbook or in any other document, except for the policy of at-will employment. Any written changes to this employee handbook will be distributed to all employees so that you will be aware of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this employee handbook.

Our Working Relationship

Employment with SVCE is employment at-will. This means that employment may be terminated with or without cause and with or without advance notice at any time by you or us. Nothing in this employee handbook or in any document or statement shall limit the right to terminate employment. No supervisor or employee of the agency has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-will. Only the CEO of the agency has the authority to make any such agreement, with approval by the board at a duly noticed public meeting, and only as a written agreement.

What Silicon Valley Clean Energy Expects From You

SVCE needs your help in making each working day enjoyable and rewarding. Your first responsibility is to know your own duties and how to do them promptly, safely, correctly and pleasantly. Secondly, you are expected to cooperate with management and your fellow employees and to maintain a good team attitude. How you interact with fellow employees and our customers, and how you accept direction can affect the success of your department. In turn, the performance of one department can impact the entire service offered by SVCE. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability.
We are dedicated to making SVCE an agency where you can approach your supervisor, or any member of management, to discuss any problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of SVCE.

Remember, you help create the pleasant and safe working conditions that SVCE intends for you.

**Employee Relations Policy**

SVCE’s established employee relations policy is to:

1. Provide an exciting, challenging, and rewarding workplace and experience.
2. Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to the following: age (40 and over), ancestry, color, religious creed (including religious dress and grooming practices), denial of family and medical care leave, disability (mental and physical) including HIV and AIDS, marital status, medical condition (cancer and genetic characteristics), genetic information, military and veteran status, national origin (including language use restrictions), race (including traits historically associated with race, such as, but not limited to, hair texture and protective hairstyles like braids, locks, and twists), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, and gender expression, sexual orientation, or any other protected status defined by law.
3. Develop competent people who understand and meet our objectives, and who accept the ideas, suggestions and constructive feedback from fellow employees.
4. Assure employees an opportunity to discuss any problems with their supervisor or the CFO and Director of Finance and Administration of SVCE.
5. Make prompt and fair adjustment of any complaints, which may arise in the everyday conduct of our business, to the extent that it is practical.
6. Respect individual rights, and treat all employees with courtesy and consideration.
7. Promote employees on the basis of their ability and merit.
8. Keep all employees informed of the progress of SVCE as well as the agency’s overall aims and objectives.
9. Do all these things in a spirit of friendliness and cooperation so that SVCE will continue to be known as “a great place to work.”
Open Communication Policy

SVCE encourages you to discuss any issue you may have with a co-worker directly with that person. If a resolution is not reached, please arrange a meeting with your supervisor to discuss any concern, problem, or issue that arises during the course of your employment. Conversations will be considered confidential where appropriate and we will always seek to protect the privacy of employees. We will not retaliate against you for appropriate usage of open communication channels. It is counterproductive to a harmonious workplace for you to create or repeat office rumors or gossip. It is more constructive to consult your supervisor immediately with any questions.

Equal Employment Opportunity

SVCE strives to comply with all applicable laws prohibiting discrimination, and we consider ourselves to be an equal opportunity employer. We make employment decisions on the basis of merit and business need. We want to have the best available person in every job. Agency policy prohibits unlawful discrimination based on the following protected characteristics: age (40 and over), ancestry, color, religious creed (including religious dress and grooming practices), denial of family and medical care leave, disability (mental and physical) including HIV and AIDS, marital status, medical condition (cancer and genetic characteristics), genetic information, military and veteran status, national origin (including language use restrictions), race (including traits historically associated with race, such as, but not limited to, hair texture and protective hairstyles like braids, locks, and twists), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, and gender expression, sexual orientation, or any other protected status defined by law. All such discrimination is unlawful.

In recruiting and selecting employees, the agency furthers the principles of equal employment by seeking talented and competent persons who are suited for a specific position by reason of training, experience, character, personality, intelligence and general ability. The agency does not consider an individual’s age (40 and over), ancestry, color, religious creed (including religious dress and grooming practices), denial of family and medical care leave, disability (mental and physical) including HIV and AIDS, marital status, medical condition (cancer and genetic characteristics), genetic information, military and veteran status, national origin (including language use restrictions), race (including traits historically associated with race, such as, but not limited to, hair texture and protective hairstyles like braids, locks, and twists), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, and gender expression, sexual orientation, or any other protected status defined by law in recruiting and selecting employees.
Promotions are based on an employee’s past performance and qualifications to assume additional responsibilities determined without regard to, or consideration of, the individual’s status. The agency takes all personnel actions without regard to an individual’s protected status. When necessary under the California Fair Employment and Housing Act and the Americans with Disabilities Act, the agency will reasonably accommodate an employee or applicant with a disability if the employee or applicant is otherwise qualified to safely perform all of the essential functions of the position.

We are committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of the agency and prohibits unlawful discrimination by any employee of the agency.

We will make reasonable accommodations when requested to comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability. These accommodations will be made for the known physical or mental disability of an applicant or an employee unless undue hardship would result in a direct threat to the health and safety or other job-related considerations exist.

SVCE will engage in a timely, good-faith, interactive process to determine a reasonable accommodation, if any, in response to a request for reasonable accommodation by an employee or applicant with a known physical or mental disability or known medical condition.

**Unlawful Harassment**

We intend to provide a work environment that is pleasant, professional, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment of any sort - verbal, physical, or visual will not be tolerated. This includes both sexual harassment as well as harassment based on an employee’s status in a protected class. These classes include, but are not necessarily limited to age (40 and over), ancestry, color, religious creed (including religious dress and grooming practices), denial of family and medical care leave, disability (mental and physical) including HIV and AIDS, marital status, medical condition (cancer and genetic characteristics), genetic Information, military and veteran status, national origin (including language use restrictions), race (including traits historically associated with race, such as, but not limited to, hair texture and protective hairstyles like braids, locks, and twists), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth or breastfeeding), gender, gender identity, and gender expression, sexual orientation, or any other protected status defined by law. This policy also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. This policy extends to unlawful harassment of, or by vendors, independent contractors, customers, or others with whom employees may come in contact with during their work for SVCE.
Our workplace is not limited to our agency facilities, but may also include customer and vendor facilities, as well as anywhere a business-related function, or social function sponsored by the agency, is taking place.

**What Is Workplace Harassment?**

Workplace harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes, social media communication, messages or statements, pranks, intimidation, physical assaults or contact, or violence. It may also take the form of other vocal activity including derogatory statements not directed to the targeted individual but taking place within their hearing. Other prohibited conduct includes written material such as notes, photographs, cartoons, articles of a harassing or offensive nature, and taking retaliatory action against an employee for discussing or making a harassment complaint. In addition, this policy covers all individuals in the workplace, such as fellow employees, supervisors, outside customers, vendors, independent contractors, paid or unpaid interns, volunteers, applicants, government officials, other professionals, or other non-employees who conduct business with our agency.

**What Is Sexual Harassment?**

Sexual harassment may include unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature. When this conduct creates an offensive, hostile and intimidating working environment, it may prevent an individual from effectively performing the duties of their position. It also encompasses such conduct when it is made a term or condition of employment or compensation, either implied or stated and when an employment decision is based on an individual's acceptance or rejection of such conduct.

It is important to note that harassment crosses age and gender boundaries and cannot be stereotyped. Sexual harassment may involve two women or two men, or can occur among a mixed-gender group of people. Harassment may exist on a continuum of behavior. For instance, one example of harassment may be that of an employee showing offensive pictures to another employee. A picture will be presumed to be sexually suggestive if it depicts a person of either sex who is not fully clothed or in clothes that are not suited to, or customarily accepted for, the accomplishment of routine work in and around the workplace.
Generally, two categories of harassment exist. The first, "quid pro quo," may be defined as an exchange of sexual favors for improvement or continuance in your working conditions and/or compensation. The second category, "hostile, intimidating, offensive working environment," can be described as a situation in which unwelcome sexual advances, requests for sexual favors, or verbal or other conduct creates an intimidating or offensive environment. Examples of a hostile, intimidating, and offensive working environment includes, but is not limited to, pictures, cartoons, symbols, or apparatus found to be offensive and which exist in the workspace of an employee. This behavior does not necessarily link improved working conditions in exchange for sexual favors. An employee may have a claim of harassment even if he or she has not lost a job or other economic benefit. The law prohibits any form of protected basis harassment that impairs an employee’s working ability or emotional well-being at work.

We prohibit any employee from retaliating in any way against anyone who has raised any concern about sexual harassment or discrimination against another individual. We will investigate any complaint of sexual harassment and will take immediate and appropriate disciplinary action if sexual harassment has been found within the workplace.

**Responsibility**

All SVCE employees, and particularly supervisors, have a responsibility for keeping our work environment free of harassment. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate supervisor, the Director of Finance and Administrative Services or the designated management representative with whom they feel comfortable. When management becomes aware of the existence of harassment, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the agency to do so.

**Reporting**

All reported incidents of prohibited harassment will be investigated in an effective, thorough and objective manner that provides all parties with appropriate due process and reaches reasonable conclusion based on the evidence collected. The investigation will be completed and a determination regarding the reported harassment will be made and communicated to both the complainant and to the accused harasser(s). If you believe you have been harassed by any agency employee, customer, or other business contact, confront the harasser and ask him/her to stop. While we encourage you to communicate directly with the alleged harasser and make it clear that the harasser's behavior is unacceptable, offensive or inappropriate, it is not required that you do so. It is essential, however, to notify the Director of Finance and Administrative Services immediately regarding any incidents of harassment, even if you are not sure the offending behavior is considered harassment. If the Director of Finance and Administrative Services is not available, please contact your immediate supervisor. At any time if you feel that you are in immediate harm and do not have time to contact either the Director of Finance and...
AdministrationCFO and Director of Administrative Services or your supervisor, seek assistance from any management representative.
Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. However, confidentiality cannot be guaranteed. Any employee found to have harassed any employee will be subject to severe disciplinary action up to and including termination of employment. SVCE will also take any additional action necessary to appropriately remedy the situation. Retaliation of any sort will not be permitted. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

In addition, the agency will take appropriate action to remedy any loss to the complaining employee resulting from the harassment. The individual who makes unwelcome advances, threatens or in any way harasses another employee may be personally liable for such actions and their consequences.

All employees must report any incidents immediately so that complaints can be quickly and fairly resolved. The California Department of Fair Employment and Housing (“DFEH”) investigates and may prosecute complaints of harassment. Whenever an employee thinks he or she has been harassed or that he or she has been retaliated against for resisting or complaining, that employee may file a complaint with the DFEH. The nearest DFEH office is listed in the telephone book. The agency also has a brochure on sexual harassment which is available to all employees for additional information.
Chapter 2-EMPLOYMENT POLICIES AND PRACTICES

Classification of Employees

At the time you are hired, you will be classified as either “exempt” or “non-exempt.” This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of forty (40) hours per workweek. These employees are referred to as “non-exempt” in this employee handbook.

Exempt employees are those employees whose duties and responsibilities allow them to be “exempt” from provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred, or promoted. Participation in our benefits programs may be affected by your employment status or classification. All employees of SVCE whether exempt, non-exempt, full-time, part-time, or temporary are employed at-will.

1. The EXEMPT status applies to certain administrative, professional, salespersons and executive staff. Exempt employees qualify for exemption from overtime regulations under state and federal law and their salaries already take into account that they may work long hours.

2. The NON-EXEMPT status applies to all other regular employees. Non-exempt employees are covered by regulations in the State of California wage orders and receive extra pay for overtime work (as described in the overtime section of this employee handbook)

   Employees working in non-exempt positions are compensated for the actual amount of time spent on their job and are entitled to receive time and one-half (1 ½) their regular rate of pay for each hour worked in excess of forty (40) hours in a work week.

3. FULL-TIME employees work on a regular basis for at least 40 hours per week. Full-time employees may or may not be EXEMPT. They are eligible for all benefits available through work at SVCE, so long as they meet the applicable requirements, such as length of service.

4. PART-TIME employees work on a regular basis for fewer than 40 hours per week. Part-time employees are entitled to certain benefits listed in this employee handbook and those required by applicable state & federal laws.

5. TEMPORARY EMPLOYEES are hired with the understanding that their employment will not continue beyond a stated date or beyond completion of a specified project or projects. Temporary employees will generally not be employed for more than 6 months. Temporary employees are not eligible for benefits covered in this employee handbook, other than those required by law or as stipulated in writing signed by the CEO.
6. INTERNS are employees who are students and gaining supervised practical experience in a professional field. Interns are paid and are not eligible for benefits covered in this employee handbook, other than those required by law or as stipulated in writing signed by the CEO.

**Job Posting**

You will be notified of open positions through job postings. The job posting will include the position title, department and a brief description of qualifications. You must discuss your interest in a job opening first with your supervisor. In no event will a promotion or transfer be considered without the supervisor’s knowledge. You are also encouraged to refer qualified candidates for open positions.

**Rehired/Converted Employees**

If you are eligible for rehire at the time of your separation from SVCE, you will be considered for rehire at any time there is a position available for which you are qualified. Former employees will be considered along with all other applicants and have no greater chance of being selected for employment than all other applicants.

If you are rehired by SVCE or convert from part-time to full-time status, your length of service with SVCE for all purposes will be calculated beginning with the rehiring date or the date of conversion to full-time status.

Employees who are terminated due to misconduct or violation of agency policy will be considered ineligible for rehire.

**Job Duties**

Your supervisor will explain your job responsibilities and the performance standards expected of you. Please be aware that your job responsibilities may change at any time during your employment. From time to time, you may be asked to work on special projects or to assist with other work necessary or important to the operation of the agency. Your cooperation and assistance in performing such additional work is expected.

We also may, at any time, with or without notice, alter or change your job responsibilities, reassign or transfer your position, or assign you additional job responsibilities depending on our changing business needs.
**Work Schedules**

SVCE’s normal business hours are 8:00 a.m. through 5:00 p.m., Monday through Friday. Your supervisor will assign your individual work schedule, and you are expected to be ready to perform your work at the start of your scheduled shift.

From time to time, work schedules may fluctuate with customer demand. If a change in your work schedule is required, your supervisor will notify you at the earliest opportunity. You may be required to work overtime or hours other than those normally scheduled, although we expect this to be kept to an absolute minimum. Exempt employees are required to work as many hours as are necessary to complete the responsibilities of the positions they have assumed.

**Personnel Records**

A personnel file will be maintained in the office of the Director of Finance and Administration, CFO, and Director of Administrative Services on each employee of the agency. General personnel records may be kept in your file such as: job application, performance evaluations, training records, and emergency contact information and payroll changes. You may review your personnel file during regular business hours upon making a request to the Director of Finance and Administration, CFO, and Director of Administrative Services. No one other than you, your supervisor, the Director of Finance and Administration, CFO, and Director of Administrative Services, the CEO, or his designee may seek information from your file without your written permission, except in limited circumstances required by law. Under no circumstances shall your file be removed from the office.

The agency will keep your personnel records private. However, there are certain times when information may be given to a person outside the agency. These are:

1. In response to a subpoena, court order, or order of an administrative agency;
2. To a governmental agency as part of an investigation by that agency of the agency’s compliance with applicable law;
3. In a lawsuit, administrative proceeding, grievance, or arbitration in which you and the agency are parties;
4. In a workers’ compensation proceeding;
5. To administer employee health benefit plans;
6. To a health care provider, when necessary;
7. To first aid or safety personnel, when necessary; and
8. To a prospective employer or other person requesting a verification of your employment.
9. To fulfill other public agency disclosure requirements dictated by law.
Keeping your personnel file up-to-date can be important to you with regard to pay, deductions, benefits and other matters. Coverage or benefits that you and your family may receive under SVCE’s benefits package could be negatively affected if the information in your personnel file is incorrect. Please promptly notify the Director of Finance and Administration CFO and Director of Administrative Services of any changes in your personal data.

**Inspection of Payroll Records**

Employees and former employees have the right to inspect and obtain copies of their own payroll records. All requests must be submitted in writing to the Director of Finance and Administration CFO and Director of Administrative Services or his/her designee who will make certain that they are properly processed. Requests will be honored within 30 days from the date they are received. Individuals who make a request may be asked to provide identification so that they are not provided access to information on other employees. Individuals who request a copy of their records may be required to pay for the cost of making the copies.

**Layoffs and Work Reductions**

In the event of a layoff or work reduction, once it is determined what the scope of the reduction will be (i.e., agency-wide, job classification, position), employees will be selected for layoff based on a combination of factors, including, but not necessarily limited to: past performance and productivity, qualifications, attendance, ability and willingness to work the required days and hours, and the ability to work cooperatively with others in the affected work unit.

The weight given to the above factors may vary depending on the particular needs of the affected work unit and the agency as a whole at the time of the layoff.

Seniority shall be considered only when, in our opinion, all other factors are equal between two or more employees in the affected work unit. Seniority will be computed on the basis of an employee’s total continuous service with the agency. For this purpose, continuous service before and after any break in service of less than 30 days or an approved leave of absence, will be counted.

**Employment Termination**

SVCE strives to ensure a smooth transition for employees leaving the agency.

SVCE and its employees have an employment relationship that is known as “employment at will.” This means that employees are not required to work for the agency for any set period of time nor is the agency required to employ individuals for any specific length of time. **The statements made in this policy do not alter, modify or limit the employment at will relationship.** An “at-will” employee is subject to termination of employment at any time the agency concludes it appropriate to do so.
Involuntary separation from service means that the termination action is being initiated by SVCE, rather than by the employee. In general, employees who are discharged by SVCE are not eligible for rehire. However, employees who are terminated due to layoff or restructuring may be eligible for rehire or recall at the agency’s discretion.

The agency will consider you to have voluntarily terminated your employment if you do any of the following:

1. Resign from SVCE;
2. Fail to return from an approved leave of absence on the date specified by SVCE, or;
3. Fail to report to work or call in for 3 consecutive work days in accordance with our policies.

In the event that you resign voluntarily, you will be asked to provide us with the professional courtesy of two weeks notice to allow for a smooth transition and training of any replacement personnel. The notice you give will be noted on the employment record and will be considered in any discussion regarding rehire or reference information. Once notice has been given, accrued and unused PTO days normally may not be taken.

All agency property such as office equipment, credit cards, keys, manuals, computer equipment, and cell phones must be returned on or prior to the last day of employment. You must return these items to your immediate supervisor.

Final wages for time worked, plus any pay for unused but accrued PTO, will normally be paid on your last day of employment.

**Exit Interviews**

Should you resign voluntarily, the Director of Finance and Administration CFO and Director of Administrative Services or your direct supervisor may conduct an exit interview whenever feasible. This interview allows you to communicate your views on your work with SVCE and the job requirements, operations and training needs and future reference information to potential employers.

**Employment Verification and References**

SVCE’s policy as to references for employees who have left the agency is to disclose the dates of employment and the title of the last position held. In addition, and in accordance with California State Law AB2770, SVCE will disclose if an employee or past employee is not eligible for rehire due to a determination that the employee had engaged in sexual harassment. You may provide a signed form authorizing the agency to release additional specific reference information to potential employers.
It is our policy that only the Director of Finance and AdministrationCFO and Director of Administrative Services is authorized to respond to requests for employee references and verification of employment from financial institutions, etc. No other supervisor or employee is authorized to provide references for current or former employees.

As an employee of SVCE, do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, please forward the information request to your supervisor or the Director of Finance and AdministrationCFO and Director of Administrative Services.
Chapter 3-TIMEKEEPING AND ATTENDANCE

Punctuality and Attendance

You are expected to have regular attendance during all scheduled work hours, report to work on a timely basis, and work through the end of your regularly scheduled workday. Any unexcused tardiness or absence causes problems for your fellow employees, customers, and your supervisor. Lateness is disruptive, costly and not fair to the organization or other employees. Chronic lateness will not be tolerated and will result in discipline, up to and including termination. Regular attendance and punctuality is considered an “essential function” of your job.

If you are unable to report for work on any particular day, you must personally call your supervisor prior to the start of your shift on the day that you are scheduled to work. If you are not able to reach your supervisor, you are expected to advise another management representative of your absence or tardiness and leave a telephone number where you can be reached. Do not have a relative or friend call in to report your absence, unless you are unable to call yourself due to a medical or other emergency. If you call after the start of your shift you will be considered tardy for that day. In all cases of absence or tardiness, you are expected to provide your supervisor with an honest reason or explanation. You also must inform your supervisor of the expected duration of any absence. Absent extenuating circumstances, you must call in each and every day you are scheduled to work and will not report to work.

Repeated absenteeism or tardiness (whether excused or not) will not be tolerated. Continuing patterns of absences, early departures, or tardiness—regardless of the exact number of days—may warrant disciplinary action, up to and including termination of employment. Emergency or extraordinary circumstances concerning an absence or tardiness will be considered and we reserve the right to make an exception to this policy if, at our discretion, an exception is warranted. Repeated car failures, missing the bus, consistently failing to arrange back up childcare or oversleeping do not constitute emergency or extraordinary circumstances. We reserve the right to determine what is considered excessive absenteeism.

If you fail to report for work for three (3) consecutive days without any notification to your supervisor, we will consider that you have abandoned your employment, and have resigned your position. You may be required to provide documentation verifying your absence.
Timekeeping Requirements for Non-Exempt Staff

Federal and state law requires SVCE to keep an accurate record of time worked. SVCE uses an online time recording system to record this time worked. Employee time records are official SVCE records and must be accurately maintained. You must input your own time at the start and at the end of each workday, and at the start and end of each lunch period. Under no circumstances should you perform any work that is “off-the-clock” or not recorded on your time sheet. If there are any circumstances that make it difficult for you to record all time worked, you should discuss the situation with your supervisor and/or the Director of Finance and Administration/CFO and Director of Administrative Services for assistance.

Completing another employee’s time record or intentionally falsifying a time record is a serious violation of this policy and may result in immediate termination of employment. If a time record needs to be corrected, both you and your supervisor must initial the change in the time record to verify its accuracy.

Meal and Rest Periods for Non-Exempt Staff

California law requires that each non-exempt employee be given at least a 30-minute lunch break each day, and that this break begins within the first five hours of your workday. Accordingly, taking a duty-free lunch period of at least 30 minutes is mandatory. If you work more than 10 hours, you are entitled to a second, unpaid meal period of at least 30 minutes. Depending on the circumstances, you may be able to waive your second meal period if you took the first one.

You will be provided one 30 minute lunch each day, to be taken approximately in the middle of the workday. However, under special circumstances you may be granted permission by your supervisor to extend your lunch break.

You are allowed one ten-minute rest period for every four hours of work or major portion thereof. While there is no set schedule for breaks, you are able to take restroom breaks and get refreshments as desired.

If, at any time, you are unable to take a lunch break and/or rest period because of workload, please immediately inform your supervisor so that appropriate arrangements can be made.

You are expected to observe your assigned working hours and the time allowed for meal and rest periods.
Overtime Time Provisions for Non-Exempt Staff

As necessary, you may be asked to work overtime. For purposes of determining which hours constitute overtime, only actual hours worked in a given workweek will be counted. We will attempt to distribute overtime evenly and accommodate individual schedules. A supervisor must previously authorize all overtime work. If overtime is worked without prior authorization this may be grounds for discipline for not following agency policy and procedure. We provide compensation for all overtime hours worked by non-exempt employees in accordance with federal law as follows:

1. All hours worked in excess of forty (40) hours in one workweek, will be treated as overtime.
2. One and one-half (1 ½) times your regular rate of pay for hours worked in excess of forty (40) for the workweek.

Exempt employees may have to work hours beyond their normal schedules, as work demands require. It does not include an unpaid meal period, make-up time, or hours away from work due to PTO, sickness, holiday, jury duty, or other absences from work. No overtime compensation will be paid to exempt employees.

Exempt Employee Time Off

Exempt employees of SVCE are paid a salary, which compensates them for working as many hours as required to complete their job duties. Exempt employees do not receive overtime pay. We realize, however, that in instances of extraordinary additional pressure or increased work hours, it may be appropriate for supervisors to recognize the exempt employee’s efforts by granting the employee extra time off separate from and in addition to the employee’s accrued PTO time. In order to achieve consistency among supervisors and fairness to the exempt employees, supervisors must use the following guidelines when exercising their discretion to grant additional time off:

1. Limit the amount of time off to no more than two days;
2. Require the employee to take the time off in the following week whenever possible and;
3. Do not allow employees to accumulate any granted but unused time off.
Lactation Accommodation

Women who wish to express breast milk while at work have the right to request a lactation accommodation and should request these arrangements from their supervisor or the Director of Finance and Administration, CFO and Director of Administrative Services. Where such arrangements are made during an employee’s normal rest period, the time will be paid. If special arrangements are made to provide a non-exempt employee extra time beyond or in addition to her normal rest period, the time will be unpaid. Break time under this accommodation will be provided each time an employee has the need to express breast milk.

A private area, shielded from view and free from intrusion, will be provided for lactation accommodation that:

- Is not a bathroom
- Is in close proximity to the employee’s work area
- Contains a place to sit and a surface on which to place a pump and personal items
- Has access to electricity or an alternate device such as an extension cord to provide power or an appropriate charging station.

Employees requesting a lactation accommodation will also be provided access to a sink with running water and a refrigerator or portable cooler suitable for storing milk in close proximity to their workspace.

If any employee feels that they have not been provided the appropriate lactation accommodation, they have the right to file a complaint with the Labor Commissioner.

Payment of Wages

Paydays are every other Friday. There are 26 pay periods in a year. The workday (a 24-hour, consecutive period) begins at 12:01 a.m. and ends at midnight. The workweek begins on Sunday and ends on Saturday.

If a regular payday falls on a weekend or holiday, you will be paid on the first day of work prior to the regularly scheduled payday. If there is an error on your check, please report it immediately to your supervisor.

For your convenience, we offer a direct deposit option.

Advances

We do not permit advances against paychecks or against un-accrued PTO.
Payroll Deductions, Wage Attachments and Garnishments

SVCE makes certain deductions from every employee’s paycheck. Among these are applicable federal, state, and local income taxes, Medicare taxes and disability insurance contributions. By law, SVCE is also required to honor legal attachments and garnishments of an employee’s wages or salaries. If your wages are attached, we will withhold the specified amount to satisfy the terms of the attachment.

Reporting Time Pay

Reporting time pay will be paid under the following conditions:

1. Reporting time pay is owed when you report to work at your regularly scheduled time, but you are not put to work or are given less than half the usual or scheduled day’s work. In this case, you will be paid for at least half of the hours you were scheduled to work, but never less than two hours pay, and never more than four hours pay.

2. Reporting time pay is also owed if you are required to report to work a second time in any one (1) workday and are given less than two (2) hours work on the second reporting. In this case you will receive at least two (2) hours pay for the second appearance.

These provisions do not apply if on a paid “standby” or “on call” status. In some instances, you may not receive reporting time pay. Reporting time pay does not apply if public utilities fail, such as water, gas, electricity, or sewer and/or when work is interrupted by an “act of God” or other causes not within the agency’s control.

Payment for Hours Worked During Business Travel for Non-Exempt Staff

Whenever possible, non-exempt employees traveling on agency business are expected to do so during normal working hours. In the very rare instance where your travel time constitutes overtime, you will be paid overtime as required by law. Non-exempt employees will be paid for all hours worked, including out of town travel time, at regular and overtime pay rates according to the law. Pay for travel time may be at a rate of pay that is less than the employee’s normal rate of pay.

If you are non-exempt and traveling on business, you will not be paid for time between work assignments; e.g., if you stay the night in a hotel, pay begins when you begin to work, or are in transit. Travel pay is to be scheduled in advance, in writing by your supervisor, with the knowledge of the Director of Finance and AdministrationCFO and Director of Administrative Services. Non-exempt travel may be approved on an as-needed basis, but only with prior authorization from your supervisor.
Pay for Mandatory Meetings for Non-Exempt Staff

The agency will pay you for your attendance at meetings, lectures and training programs if all the following conditions are met:

1. Attendance is mandatory (i.e. required by the agency).
2. The meeting, course, or lecture is directly related to your job.
3. You are notified of the necessity for such meetings, lectures, or training programs by your supervisor (i.e. pre-approval by management is required)

If you meet the above conditions, you will be compensated at your regular rate of pay. If you are required to travel, then travel pay will be initiated. You will not receive compensation time spent for involuntary attendance in courses that are conducted outside of normal business hours and/or that are not directly related to your current job.
Chapter 4-STANDARDS OF CONDUCT

Professional Business Conduct and Ethics

By accepting employment with us, you have a responsibility to SVCE and to your fellow employees to adhere to certain codes of behavior and conduct. The purpose of these rules is not to restrict or impair your right to free speech, but rather to be certain that you understand what conduct is expected and necessary. When each person is aware that he or she can fully depend upon fellow workers to follow the rules of conduct, then our agency will be a better place for everyone to work.

Generally speaking, we expect you to act in a mature and responsible way at all times. Again, we value honesty in communication and personal responsibility. However, to avoid any possible confusion, some of the more obvious unacceptable activities are noted below. Your avoidance of these activities will be to your benefit as well as to the benefit of SVCE. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please ask for an explanation.

Occurrences of any of the following violations, because of their seriousness, may result in disciplinary action up to and including immediate suspension or termination:

Unacceptable Activities:

1. Generally, conduct which is disruptive, competitive in nature or damaging to the agency.
2. Falsification of timekeeping records.
3. Dishonesty; falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by SVCE; alteration of agency records or other agency documents.
4. Working under the influence of alcohol or legal or illegal drugs, including marijuana.
5. Theft or inappropriate removal or possession of agency property or the property of fellow employees; unauthorized use of agency equipment and/or property for personal reasons.
6. Possession, distribution, solicitation, sale, transfer, or use of alcohol or legal or illegal drugs, including marijuana, in the workplace, while on duty, or while operating agency-owned vehicles or equipment.
7. Fighting, threatening, or coercing fellow employees for any purpose.
8. Boisterous or disruptive activity in the workplace.
9. Negligence or any careless action leading to damage of agency-owned or customer-owned property or which endangers the life or safety of another person.

10. Obscene or abusive language toward any supervisor, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on agency premises.

11. Insubordination or other disrespectful conduct; refusing to obey instructions properly issued by your supervisor pertaining to your work; refusal to assist on a special assignment.

12. Violation of security or safety rules or failure to observe safety rules and/or practices; failure to wear required safety equipment; tampering with SVCE equipment or safety equipment.

13. Creating or contributing to unsanitary conditions.

14. Smoking in prohibited areas.

15. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs.

16. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.

17. Excessive absenteeism or any absence without notice; failure to report an absence or late arrival.

18. Unauthorized absence from work station during the workday; sleeping or loitering during working hours.

19. Unauthorized use of telephones, mail system, or other agency-owned equipment.

20. Originating, spreading, and taking part in malicious gossip or rumors about employees of the agency.

21. Unauthorized disclosure of confidential information; giving confidential or proprietary information to competitors or other organizations or to unauthorized SVCE employees; breach of confidentiality of personnel or agency information.

22. Violation of agency rules or policies; any action that is detrimental to SVCE’s efforts to operate successfully.

23. Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor.

24. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on agency premises.

25. Conducting a lottery or gambling on agency property.
26. Failure to immediately report any damage or accident involving agency equipment and vehicles.

27. Failure or refusal to comply with the work schedule, including mandatory overtime.

28. Using, removing, or borrowing agency equipment or property without prior authorization.

29. The use of abusive or threatening language or actions toward anyone.

This list is not exhaustive. Rather, we ask that you keep in mind at all times the need to conduct yourself with reasonable and proper regard for the welfare and rights of all our employees and for the best interests of the agency. This statement of prohibited conduct does not alter SVCE's policy of at-will employment. Either you or the agency remains free to terminate the employment relationship at any time, with or without reason or advanced notice.

**Performance Evaluations**

You and your supervisor are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Ongoing discussions with your supervisor about your job duties, performance, and the work environment likely will increase your satisfaction with your work experience and the agency’s satisfaction with you.

We want to provide you with the tools to stay on track and to reach your full potential. To provide you with the necessary feedback about your performance, you may receive periodic performance evaluations. Performance evaluations may be conducted annually with us. The frequency of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties, or recurring performance problems.

After the review, you will be asked to sign the evaluation report simply to acknowledge that it has been presented to you and discussed with you by your supervisor, and that you are aware of its contents.

Positive performance evaluations do not guarantee increases in salary or promotions. Salary increases and promotions are solely within the discretion of the agency, and depend upon many factors in addition to performance. Wage and salary increases are based on merit alone, not length-of-service or the cost-of-living. Having your compensation reviewed does not necessarily mean that you will be given an increase.

**Problem Resolution**

At some time, you may have a concern or question about your job, your working conditions, or the treatment you are receiving. Your good-faith complaints and questions are of concern to us. We ask that you take your concerns first to your supervisor, following these steps:
1. Bring the situation to the attention of your immediate supervisor who will then investigate and provide a solution or explanation.

2. If the problem remains unresolved, you may present it in writing to the Director of Finance and Administration, CFO and Director of Administrative Services who will work towards a resolution.

This procedure, which we believe is important for both you and us, cannot result in every problem being resolved to your satisfaction. However, we value your input and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

**Alcoholic Beverage Consumption**

Due to the high risk and liability involved, the agency will not provide alcoholic beverages at social gatherings to SVCE employees. This policy applies to the following:

1. Birthday parties;
2. Office parties;
3. Office picnics; and
4. Recreational activities (i.e. organized team sports)

**Drug and Alcohol Abuse**

SVCE is concerned about the use of alcohol, illegal drugs, or controlled substances as it affects the workplace. We comply with state and federal drug abuse regulations, including the Drug-Free Workplace Act of 1988. Use of these substances whether on or off the job can adversely affect your work performance, efficiency, and safety and health. The use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes us to the risks of property loss or damage, or injury to other persons.

Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect your job performance and seriously impair your value to us. Any employee who is using prescription or over-the-counter drugs that may impair your ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work. All precautions necessary to preserve your privacy will be taken. You must adhere to the rules stated in this policy as a condition of employment. Failure to comply with this policy may result in discipline, including termination. The Director of Finance and Administration, CFO and Director of Administrative Services has been designated to administer this policy, monitor the program and make reports as required by law.
If there is ever a reasonable basis to suspect you of violating the drug and alcohol policy, you will be requested to immediately submit to a drug and/or alcohol test. Suspicion will be based on objective symptoms, such as factors related to your appearance, behavior and speech. Possession of illegal drugs or alcohol is prohibited even if you have not used these substances. To help ensure a safe and healthful working environment, job applicants and employees may be asked to provide body substance samples (such as urine, hair samples, and/or blood) to determine the improper or illegal use of drugs and alcohol.

The following rules and standards of conduct apply to all employees either on agency property, or during the workday (including meals and rest periods). The following are strictly prohibited by the agency:

1. Possession or use of alcohol or illegal drugs, including marijuana, or being under the influence of alcohol or illegal drugs while on agency premises or at any time on duty.
2. Driving an agency vehicle or driving for agency business in a private vehicle while under the influence of alcohol or illegal drugs, including marijuana.
3. Distribution, sale, or purchase of an illegal or controlled substance while on agency premises or at any time on duty.
4. Possession or use of an illegal or controlled substance or being under the influence of an illegal or controlled substance while on agency premises or at any time on duty.
5. Any drug or alcohol statute conviction. You must notify SVCE within 5 days of such conviction.

In the event of a safety or security concern or reasonable suspicion of use and/or an on the job accident, you may be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs and alcohol. The agency will test for alcohol, cannabinoids, (THC), Opiates, i.e. codeine and morphine, Cocaine metabolites, Amphetamines, i.e. amphetamine and metamorphines, adulterants low creatine levels and Phencyclidine. The agency assures that any information concerning your drug and/or alcohol use will remain confidential.

If the results of your drug and/or alcohol test are positive, the agency will take disciplinary action which may include suspension or immediate termination. The disciplinary action will be based on the seriousness of the offense and your past performance with the agency. In the event that you test positive, you may request a second test to be performed by a reliable drug testing agency, at your expense.

Violation of the above rules and standards of conduct will not be tolerated. We also may bring the matter to the attention of appropriate law enforcement authorities.

SVCE’s policy on drug and alcohol in no way limits or alters the at-will employment relationship.
Customer and Public Relations

The success of SVCE depends upon the quality of the relationships between SVCE, our employees, and our customers, suppliers and the general public. Our customers’ impression of the agency and their interest and willingness to do business with us are formed by how you serve them. In a sense, regardless of your position, you are a SVCE ambassador. The more goodwill you promote, the more our customers will respect and appreciate you and our services.

The opinions and attitudes that customers and donors have toward our agency can be affected for a long period of time by the actions of just one employee. It is sometimes easy to take a customer for granted, but when we do, we run the risk of not only losing that customer, but their associates, friends or family who also may be customers or prospective customers.

Here are several things you can do to help give customers a good impression of SVCE:

1. Customers are to be treated courteously and given proper attention at all times. Never regard a customer’s questions or concerns as an interruption or an annoyance. Customer inquiries, whether in person or by telephone, must be addressed promptly and professionally.

2. Never place a telephone caller on hold for an extended period of time. Direct incoming calls to the appropriate person and make sure that the call is received.

3. Act competently and deal with customers in a courteous and respectful manner. Through your conduct, show your desire to assist the customer in obtaining the help that he or she needs. If you are unable to help a customer, find someone who can.

4. All correspondence and documents must be neatly prepared and error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.

5. Never argue with a customer, If a problem develops or if a customer remains dissatisfied, ask your supervisor to intervene.

6. Communicate pleasantly and respectfully with other employees at all times.

These are the building blocks for your and SVCE’s continued success. Thank you for adding your support.
Confidentiality

You are responsible for safeguarding confidential information obtained during your employment with us. Additionally, our customers, employees and vendors entrust SVCE with important information relating to their businesses or personal information. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information we receive, SVCE earns the respect and further trust of our customers, and vendors.

It is your responsibility to in no way reveal or divulge any such information unless it is necessary for you to do so in the performance of your duties. Such confidential information includes, but is not limited to, the following examples:

- customer lists and customer history
- pending projects and proposals
- marketing strategies
- compensation data
- budget information
- periodic business reports and summaries
- bid proposals/contract negotiations
- statistical data
- research and development programs
- mergers/dissolutions
- employee data
- financial information
- pricing information
- passwords
- business plans

Access to confidential information must be on a "need-to-know" basis and supervisor authorization is required.

Upon accepting employment with SVCE, you may have been asked to sign a Confidentiality Agreement, which generally provides that you will not disclose or use any of the agency’s confidential information, either during or after your employment with us. We sincerely hope that our relationship will be long-term and mutually rewarding. However, your employment with SVCE carries with it an obligation to maintain confidentiality, even after you leave our employ.

If you are questioned by someone outside the agency or your department and you are concerned about the appropriateness of giving them certain information, you are not required to answer. Instead, as politely as possible, refer the request to your supervisor.
It is also important to remember that you may not disclose or use proprietary or confidential information except as your job requires. You may not keep or retain any originals or copies of reports, notes, proposals, customer lists or other confidential and proprietary documents, equipment, supplies, or property belonging to the agency. Any and all copies or originals of reports, notes, proposals, customer lists or other confidential and proprietary documents must be turned over to the agency within twenty-four (24) hours of termination of employment.

You are not permitted to remove or make copies of any SVCE records, reports or documents without prior management approval. Do not post confidential or proprietary information about SVCE, customers, employees, or affiliates on any social media. Disclosure of confidential information could lead to termination of employment, as well as other possible legal action.

For further information, refer to the Customer Confidentiality Policy.

**Whistleblower Policy**

A whistleblower as defined by this policy is an employee of SVCE who reports an activity that he/she considers to be illegal or dishonest to one or more of the parties specified in this Policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.

Examples of illegal or dishonest activities are violations of federal, state or local laws; billing for services not performed or for goods not delivered; and other fraudulent financial reporting.

If an employee has knowledge of or a concern of illegal or dishonest fraudulent activity, the employee is to contact his/her immediate supervisor or the Director of Finance and Administration, CFO and Director of Administrative Services. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Whistleblower protections are provided in two important areas -- confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. SVCE will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. For health facilities, this includes discriminating or retaliating against a patient or employee because that person presented a grievance or complaint, or participated in an investigation or administrative proceeding related to the facility’s care, services or condition. Whistleblower employment protections also extend to cover a county’s “patients’ rights advocates” who provide patient services at county mental health centers. Any whistleblower
who believes he/she is being retaliated against must contact the Director of Finance
and Administration immediately. In addition, employees of health facilities have the right to discuss possible regulatory violations or patient safety concerns directly with the California Department of Public Health’s (CDPH) inspector privately during a CDPH investigation. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

All reports of illegal and dishonest activities will be promptly submitted to the Director of Finance and Administration who is responsible for investigating and coordinating corrective action, or to the Owner if the allegations involve the Director of Finance and Administration.

Employees with any questions regarding this policy should contact the Director of Finance and Administration.

**Conflict of Interest**

As an employee of SVCE, you must avoid actual or potential conflicts of interest with the agency. This policy provides examples of prohibited conflicts of interest. If you are found to have a conflict of interest with the agency, you may be subject to discipline, including termination. You should contact your supervisor with any questions about this policy. Prohibited activities include, but are not limited to:

1. Being an owner, employee, consultant or vendor to any business that competes, directly or indirectly, with the agency.
2. Having a direct or indirect financial relationship with a competitor, customers, or supplier; however, no conflict will exist in the case of ownership of less than 1 percent of a publicly traded corporation.
3. Engaging in any other employment or personal activity during work hours, or using the agency’s name, logo, equipment or property, including stationery, office supplies, computers, telephones, fax machines, postage, and office machines, for personal purposes.
4. Soliciting agency employees, suppliers, or customers to purchase goods or services of any kind for non-agency purposes, or to make contributions to any organizations or in support of any causes.
5. Soliciting or entering into any business or financial transaction with another employee whom the soliciting employee supervises, either directly or indirectly, such as hiring the employee to perform personal services or soliciting the employee to enter into an investment.
**Solicitation**

You are not permitted to solicit or distribute literature during working time. Working time includes both your working time and the working time of the employee to whom the solicitation or distribution is directed. Similarly, distribution of written solicitation material in working areas is prohibited at all times. If you wish to distribute fundraising items such as cookies, candy, and coupon books for sale, you may place them without solicitation in your workstation or SVCE break rooms.

**Media Contact**

Only contact people designated by the CEO of the agency may comment on agency policy or on behalf of the agency. If you are contacted by a news organization for a statement from the agency on any matter, please direct all media inquiries to your supervisor.

**Employment of Friends and Relatives**

The employment of friends and relatives in the same area of an organization may cause conflicts of interest and appearances of impropriety. In addition, personal conflicts may impact the working relationship of the parties. Although the agency does not prohibit the hiring of friends and relatives of existing employees, the agency is committed to monitoring situations in which friends or relatives work in the same area. In the event of an actual or potential problem, the agency’s response may include reassignment or termination of one or both individuals involved. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with an employee is similar to that of persons who are related by blood or marriage, or one who is a domestic partner.

The agency desires to avoid misunderstandings, complaints of favoritism, claims of sexual harassment, and employee dissension that may result from personal or social relationships amongst employees. Therefore, the agency asks that if you become romantically involved with another employee that you disclose your relationship to an appropriate supervisor with whom you feel comfortable. This information will be kept as confidential as possible. For purposes of this provision, “romantically involved” will be interpreted broadly. The agency reserves the right to take necessary and appropriate action to resolve any potential conflict of interest arising out of romantic involvement among employees. Depending on the facts of the situation, such action may include reassignment or termination of one or both of the employees involved.
Personal Relationships in the Workplace

The agency is committed to maintaining a professional work environment where their supervisors treat all employees fairly and impartially. Accordingly, supervisors are not allowed to date, or become romantically or intimately involved with, employees who report to them directly or indirectly. Also, spouses and immediate family members are prohibited from working in job positions where they directly report to, or are reported to, by their spouses or family members. Personal relationships very often cause problems in the workplace, such as a lack of objectivity towards the subordinate’s job performance, the perception of favoritism by other employees (whether justified or not), and potential sexual harassment complaints should a couple break up.

For purposes of this policy, “immediate family” includes significant others (such as unmarried couples who live together), domestic partners, step-parent and step-child relationships, in-law relationships, grandparents and cousins (including analogous relationships with the parents and children of an employee’s significant other). This policy covers all family-like relationships, regardless of blood or legal relationships.

Employees who are currently dating one another, or employees who are married or related and report to or supervise each other, may request to be transferred in order to comply with this policy. When possible, the agency will attempt to accommodate such requests. Please understand, however, that the agency reserves the right not to transfer employees based on conflicting business considerations.

Unprofessional behavior in the workplace, such as sexually related conversations, inappropriate touching (i.e., kissing, hugging, massaging, sitting on laps) another employee, and any other behavior of a sexual nature, is prohibited.

If two employees marry or become related, causing actual or potential problems such as those described, only one of the employees will be retained with the agency unless reasonable accommodations can be made to eliminate the actual or potential conflict. The employees will have 30 days to decide which relative will stay with the agency. If this decision is not made in the time allowed the Director of Finance and Administration CFO and Director of Administrative Services will make the decision, taking the employment history and job performance of both employees into account. Supervisors who have any questions about the application of this policy to an employee or applicant should contact the Director of Finance and Administration CFO and Director of Administrative Services.

Dress Policy

SVCE, as a condition of employment, expects employees neat and clean grooming and attire appropriate to the job assignment.

Managers are responsible for insuring that employees project a professional image

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and adhere to this policy. The employee's supervisor or department head is
responsible for establishing a reasonable dress code appropriate to the position. An employee should consult with their supervisor with questions as to what constitutes appropriate appearance. Where necessary, reasonable accommodation may be made to a person with a disability upon request or an exception can be made for someone in a protected class.

If your supervisor feels your attire and/or grooming is out of place, you may be asked to leave your workplace until you are properly attired and/or groomed. Violating dress code standards may subject you to appropriate disciplinary action.
Chapter 5-DAY TO DAY OPERATIONS

Employer and Employee Property

Because even a routine inspection of agency property might result in the discovery of an employee’s personal possessions, you are encouraged not to bring into the workplace any item of personal property which you do not want to reveal to the agency.

In addition, all desks, lockers, offices, work spaces, cabinets, electronic mail (e-mail), telephone systems, office systems, computer systems, any and all electronically issued technology, agency vehicles and other areas or items belonging to the agency are open to the agency and its employees. YOU SHALL HAVE NO EXPECTATION OF PRIVACY IN ANY OF THESE AREAS. Personal items and messages or information that you consider private must not be placed or kept in any of these places or areas belonging to the agency.

Storage areas, work areas, file cabinets, computer systems and software, office telephones, cellular telephones, any and all electronically issued technology, modems, facsimile machines, copy machines, tools, equipment, desks, voice mail, and electronic mail are agency property, and need to be maintained according to agency rules and regulations.

Desks and work areas must be kept clean and are to be used for work-related purposes. Agency property is subject to inspection at any time, with or without prior notice. Prior authorization must be obtained before any agency property may be removed from the premises.

For security reasons, you must not leave personal belongings of value in the workplace. Personal items, lockers and desks are subject to inspection and search, with or without notice, and with or without your prior consent.

Terminated employees must remove any personal items at the time they leave us. Personal items left in the workplace by previous employees are subject to disposal if not claimed at the time of your termination.

Electronic Systems and Privacy

You shall understand that you have NO expectation of privacy in connection with the use of electronic systems, including stored e-mail/voice mail messages or any messages sent electronically. All messages created, sent, received or stored in these systems are and remain the property of SVCE. SVCE reserves the right to retrieve and review any message composed, sent or received via the system. Please note that even when a message is deleted or erased, it is still possible to recreate the message; therefore, the ultimate privacy of messages cannot be ensured to anyone.
To safeguard and protect the proprietary, confidential and business-sensitive information of SVCE, and to ensure that the use of all electronic systems and equipment is consistent with SVCE’s legitimate business interests, authorized representatives of SVCE may monitor the use of such systems from time to time without notice, which may include printing and reading materials, files on the system, list servers, and equipment.

You should be aware that e-mail messages, like SVCE correspondence, and any and all messages sent electronically may be read by other SVCE employees and outsiders under certain circumstances. While it is impossible to list all of the circumstances, some examples are the following: (1) during system maintenance of the e-mail system, (2) when SVCE has business needs to access the employee’s mailbox, (3) when SVCE receives a legal request to disclose e-mail messages, or (4) when SVCE has reason to believe the employee is using e-mail in violation of SVCE policies.

**Information Technology**

SVCE has a set of Information Technology Policies to which every employee must adhere. Upon hire, these policies should be read and understood. A listing of the most recent Board approved policies can be found on the Agency’s website.

**Social Media Guidelines**

The agency understands that various forms of communication occur through social media, such as Facebook, Twitter, LinkedIn, Reddit, Yelp, Instagram, Snapchat, blogs, and multimedia host sites such as YouTube. Such communications occur in social networking, blogs, and video sharing and similar media. It must be remembered that social media sites do not provide a private setting. Employees who communicate information through social media therefore must not expect that such information is private.

Employees must remember that all existing policies apply to information disseminated through social media. These guidelines are intended to help employees understand some of the unintended outcomes of sharing information through social media.

**Application of Policies**

The employer’s policies and standards apply to conduct that occurs in the workplace and while employees are outside of work, if the activities have an actual or potential impact on the employee’s performance, the performance of coworkers, or the employer. Nothing in this policy prevents employees from exercising their broad rights to discuss the terms and conditions of employment with others, to take action to improve their working conditions, or to otherwise exercise their rights to engage in protected concerted activity.
General Policies
The agency’s policies regarding workplace conduct and interpersonal interactions are embodied in a number of policies, including policies that protect the agency’s trade secrets, legal interests and confidential information.

The policies also prohibit unlawful harassment and discrimination and require employees to use work time in an appropriate manner.

The principles set forth in the agency’s policies apply equally to social media, even when the policies do not refer specifically to social media. Violations of any policy through social media or networking will be appropriately addressed when brought to management’s attention.

Illustrations of some of the relevant policies and how they may apply to social media are provided below. The following guidelines apply to all employees when they are at work and away from work.

General Expectations
- Employees may not post or transmit any material or information that includes confidential, proprietary or trade secret information, or information that is defamatory, obscene, profane, threatening, harassing, abusive, hateful or humiliating to another person or entity. This includes, but is not limited to, comments regarding the agency or its employees or customers. Employees must ask their supervisors and refer to agency policies if they have any questions about what is appropriate to include in communications involving social media.

Harassment
- The agency cannot tolerate intimidation, bullying or threats of violence among co-workers and such acts, even if occurring online outside of work, will result in serious consequences, including termination.
- The agency maintains a strict policy prohibiting unlawful harassment of any kind. Harassment is unlawful if it is based upon any legally protected characteristic. It includes unwelcome verbal, physical, or visual conduct that creates an intimidating, offensive, or hostile work environment or unreasonably interferes with work performance.

Reputation
- Employees must act responsibly and remember that defamatory postings can have serious consequences. Do not create fake blogs or false reviews of the agency or its competitors.

Acceptable Use Guidelines
- E-mail and Internet access is provided to support the agency’s business. Users who are given access to these tools may not make personal use of them either during work or non-work time. Any use that includes tapping
into electronic social media must be consistent with the agency’s values, policies and applicable laws.

- Participation in social media sites should be limited during work time; incidental use during break time is not prohibited by this policy. Under no circumstances may employees access social media sites while performing safety-sensitive functions such as driving.

Opinions
- Do not state or imply that the opinions you express are those of the agency, its management, or other employees.
- Employees should make it clear at all times that their opinions do not represent those of the agency. They should include disclaimers in online communications advising that they are not speaking officially or unofficially on behalf of the organization.
- Employees may not use the agency’s logo or proprietary graphics to imply that you are speaking on behalf of the agency.

Questions
- Employees who have concerns regarding workplace conduct or inappropriate behavior or comments are encouraged to contact the Director of Finance and Administration, CFO and Director of Administrative Services for further guidance.

**Additional Guidance and Information**

While the agency’s policies offer very clear direction on some issues, there are other areas where common sense must prevail. When in doubt about posting, employees shall consider the following:

- There is no expectation of privacy when engaging in social media networking activities. You may know everyone in the room when you have a conversation in person. This will not apply with social networking applications. You may not have full control over how your comments are perceived or shared.
- These are public forums. As a practical matter, it may be impossible to delete information that is shared. Comments may be publicly available for years.
- Even when you do not identify your employer by name in the communication or posting, some readers are likely to know where you work. Keep this in mind when you consider posting or transmitting comments that may be work-related. This shall also be considered when creating your profile.
- Do not state or imply that the opinions you express are those of the agency, its management, or other employees. Include a disclaimer to this effect.
**Telephone Usage**

You may use agency telephones for local or personal calls within reason. You are not to charge long distance personal telephone calls to the agency. You are expected to limit personal calls so they do not become excessive or disruptive to your work or work area.

**Cell Phone Usage While Driving**

Within California, and many other states, it is illegal to drive a motor vehicle while using a wireless telephone, unless that telephone is designed and configured to allow hands-free listening and talking operation, and is used in that manner while driving.

Additionally, writing, sending, or reading text-based communications on your cell phone while driving is also prohibited under California law. This includes text messaging, instant messaging, and e-mail. You will be responsible for any tickets you receive if you violate this law.

Use of a hands-free cell phone is required if you are required to use a cell phone while driving for agency business. Another option is that you pull over while driving to place or receive calls on your cellular phones. There is a great potential for harm to you and to others if this policy is violated.

**Smart Phone Stipend**

Employees who hold positions that include the need for a smartphone may receive a stipend to compensate for business-related costs incurred when using their individually owned smartphone. Refer to the Director of Finance and Administration, CFO and Director of Administrative Services for details on eligibility.

**Workplace Monitoring**

Workplace monitoring, both human and electronic, may be conducted by SVCE to ensure quality control, employee safety, security, and customer satisfaction.

Customer sites may also utilize video surveillance of non-private workplace areas. Video monitoring is used to identify safety concerns, maintain quality control, detect theft and misconduct, and discourage or prevent acts of harassment and workplace violence.

Because SVCE is sensitive to your legitimate privacy rights, every effort will be made to see that workplace monitoring is done in an ethical and respectful manner.

**Travel Expense Policy**

SVCE will reimburse you for work-related travel expenses such as transportation, overnight accommodations and meals. The total daily maximum reimbursable
amount for meals is $75.00. You must have your supervisor’s approval before incurring travel expenses. All requests for reimbursement must be submitted to the Director of Finance and Administration (CFO) and Director of Administrative Services for approval along with supporting documents or original invoices.

Non-exempt employees will be paid for time spent traveling and attending conference sessions. If you are required to use your personal automobile on work-related business, SVCE will reimburse you for mileage at the current IRS reimbursement rate and for parking expenses. You must submit the appropriate expense form to the Director of Finance and Administration (CFO) and Director of Administrative Services for approval and then forward it for payment once per month. If you use your personal vehicle for work-related travel you are expected to maintain at least the minimum insurance required by law.

For further details on eligible expense, refer to the Travel Expense Policy or direct questions to the Director of Finance and Administrative Services.

**Agency Property and Equipment**

Equipment essential to accomplishing job duties is often expensive and may be difficult to replace. When using agency property, you are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

The agency requires that all equipment be in proper working order and is safe to use at all times. If any equipment appears to be damaged, defective, or in need of repair, do not use it until a qualified technician certifies that it is repaired and safe. Never try to fix broken equipment yourself. Please notify your supervisor of any equipment breakdown as soon as it happens. If the breakdown requires emergency repairs, your supervisor will help you deal with the situation as soon as possible. Prompt reporting of damages, defects, and the need for repairs could prevent possible personal injury and deterioration of equipment. Please ask your supervisor if you have any questions about your responsibility for maintenance and care of equipment used on the job.
If you are authorized to operate an agency vehicle to perform your assigned work, or if you operate your own vehicle in performing your job, you must adhere to the following rules:

1. You must be a licensed California driver and must maintain at least the minimum insurance required by law.
2. You must maintain weekly mileage reports.
3. If you are driving your own car, you must provide adequate maintenance to the car such that it does not pose a safety risk to yourself or others.
4. You are responsible for following all the manufacturer’s recommended maintenance schedules to maintain valid warranties, and for following the manufacturer’s recommended oil change schedule.
5. SVCE provides insurance on agency vehicles. However, you will be considered completely responsible for any accidents, fines, moving or parking violations.
6. If involved in an accident do not admit fault, only provide required insurance and personal DMV information.
7. You must keep the agency vehicle clean at all times. You must also wash and vacuum the vehicle as often as necessary. You will be reimbursed for your reasonable expense of keeping the vehicle clean. Please retain any receipts for reimbursement.
8. Persons not authorized or employed by SVCE cannot operate or ride in an agency vehicle.
9. Prior to operation of any agency vehicle, your supervisor will train you on the appropriate steps to take if you are involved in an accident, such as filling out the accident report, getting names and phone numbers of witnesses and so on.

If you are required to drive an agency vehicle or your own vehicle for agency business, you will also be required to show proof of a current, valid driver’s license and current effective auto insurance coverage prior to the first day of employment.

You are responsible for all agency property, materials, or written information issued to you or in your possession. You may be asked to sign an acknowledgment of receipt of agency property issued to you. All agency property must be returned on or before your last day of work. You may be responsible for the replacement cost of agency property not returned.

Agency cars are for agency business only, and only authorized employees may drive agency cars. Employee spouses, children, friends or anyone other than the employee may not operate these vehicles, unless an emergency arises. A violation of these rules, or excessive or avoidable traffic and parking violations may result in disciplinary action, up to and including termination.
Personal Use of Agency Property

You are not allowed to use agency owned property for personal use. The definition of “agency owned” assets includes, but is not limited to, facilities, computers, and their related equipment, labelers, copy machines, fax machines, postage, any type of supplies including office supplies, tools, vehicles, credit cards, etc. These assets are provided to you for agency related business only.

Please also remember that all desks, lockers, cabinets, computers and vehicles that belong to the agency will be open to all agency employees. Personal items, messages or information that you consider private must not be placed or kept in telephone systems, office systems, agency computer systems, office work spaces, desks, or file cabinets.

The FedEx or UPS agency accounts are not to be used for personal use.

If you are issued an agency credit card you are responsible for the use of that card. Under no circumstances will the agency allow you to sign an agency credit card unless the card being signed is issued in your name. Signing another employee’s credit card will result in liability for the expense and may subject you to immediate termination. If you hold an agency credit card you may only give permission to another employee to make an authorized business purchase or reservation using your card with prior approval from the Director of Finance and Administration and Director of Administrative Services of the agency. Any holders of agency credit cards or authorized users who transact a non-business related charge may be subject to immediate termination. Receipts for all credit card transactions must be given to the Director of Finance and Administration and Director of Administrative Services along with an explanation of the purchase.

For details involving the use of a Purchasing Card, refer to FP7 – Purchasing Card Policy.
Driving Record and Insurance

As a condition of employment, we require you to maintain an acceptable driving record if you drive for agency business. Any accidents or traffic violations must be reported to a supervisor immediately if they occur during the course of your duties. You will be responsible for any tickets you receive while driving on agency business whether in an agency vehicle or your own personal vehicle. Failure to report an on-the-job motor vehicle accident, no matter how minor, will lead to disciplinary action, up to and including termination. Additionally, you are required to maintain the level of insurance required by the state of California. A copy of your insurance card must be on file before you will be allowed to drive for agency business. For further details, please refer to the Travel policy or direct questions to the Director of Finance and Administration, CFO and Director of Administrative Services.

Health and Safety

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all SVCE activities. We want to protect you against injury and illness, as well as minimize the potential loss of production. To achieve our goal of maintaining a safe workplace, everyone must be conscious of safety at all times. In compliance with California law, and to promote the concept of a safe workplace, we maintain an Injury and Illness Prevention Plan (IIPP). The IIPP is available for your review from the Responsible Safety Officer. The Responsible Safety Officer has responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

You will receive health and safety training as part of the Safety Program. A complete copy of the Safety Program is kept by the Director of Finance and Administration, CFO and Director of Administrative Services and is available for your review.

Smoking Policies

Smoking, use of e-cigarettes or vapor products is not allowed in any enclosed area of the building, or within 25 feet of any entrance of the building or in any agency vehicle. In fairness to those who do not smoke, smoking is allowed only during breaks and lunch and only in designated areas.

Security

To provide for the safety and security of you, our customers and our facilities, only authorized visitors are allowed in the work areas. To ensure the safety of our guests, we encourage family and friends to check in when visiting you at the workplace.
The following security procedures must always be followed to ensure your safety and the safety of your fellow employees, and to ensure the confidentiality of the agency’s proprietary information. At no time shall unauthorized persons be allowed to roam unescorted through the agency’s office. It is a matter of courtesy to accompany customers and guests to and from the exits and other office to which they may be destined. If strangers are encountered in our office who do not satisfactorily identify themselves or the person with whom they will be meeting, escort them to the front of the office or ask them to leave the building. If they resist, contact your supervisor/building security/911 immediately.

Be aware of persons loitering for no apparent reason in other non-office areas (e.g., in parking areas, walkways, entrances/exits and service areas). Report any suspicious persons or activities to your supervisor/building security/911. Secure your desk at the end of the day or when called away from your work area for an extended length of time and do not leave valuable and/or personal articles in or around your workstation that may be accessible. Please report any lost facility keys to your supervisor immediately.

**Workplace Violence**

SVCE has developed plans and procedures related to the various types of emergencies and disasters we might face. Knowing how to respond to each of the scenarios listed can make the difference when disaster strikes. Plan and procedures to address each of the scenarios are included in the SVCE Emergency Plan document. Every employee should be familiar with these plans and review them on a regular basis. Situations addressed in the Emergency Plan include:

1. Active shooter
2. Shelter in place
3. Bomb threat
4. Crime
5. Earthquake
6. Elevator emergency
7. Facility and Utility problems
8. Fire, smoke and explosions
9. Hazardous materials
10. Medical or mental health emergency
11. Severe weather
12. Suspicious mail or package
13. Workplace violence
14. Evacuation
The Agency maintains a text group for emergency communications. For details on the use of the text group, refer to the full policy description.

**Off-Duty Use of Facilities**

You are prohibited from being on agency premises, or making use of agency facilities, while not on duty. You are expressly prohibited from using agency facilities, agency property or agency equipment for personal use.

**Parking**

You are encouraged to use the parking areas designated for our employees. Please keep in mind that the parking spaces adjacent to or in front of our building(s) are for customers and visitors only. Remember to lock your car every day and park within the specified areas.

Courtesy and common sense in parking will help eliminate accidents, personal injuries, and damage to your vehicle and to the vehicles of other employees. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to your supervisor. SVCE cannot be and is not responsible for any loss, theft or damage to your vehicle or any of its contents. You will be responsible for any parking tickets you receive while driving on agency business whether in an agency vehicle or your own personal vehicle.

**Electric Vehicle (EV) Charging**

SVCE provides charging to employee owned electric vehicles at no cost for up to four (4) hours. The EV charging stations are located in the parking garage. For details on the use of company EV charging stations, refer to GAP3 - Charging Station Policy.

**Employee Suggestion Program**

We encourage you to bring forward your suggestions and good ideas about how our agency can be made a better place to work and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your supervisors. Your manager can help you bring your idea to the attention of the people in the agency who will be responsible for possibly implementing it. All suggestions are valued and listened to. When a suggestion of yours has particular merit, we provide special recognition.
Chapter 6-EMPLOYEE BENEFITS

Benefits

SVCE has developed and invested in an employee benefit program to supplement your regular wages. SVCE will continue these benefits as agency revenues permit; however, we reserve the right to change or eliminate any benefit program at any time.

Our benefit program includes health, dental, and vision coverage, life insurance, paid time off, holiday pay and employer contributions for retirement, Health Reimbursement Account (HRA), Health Savings Account (HSA), and Flexible Spending Account (FSA). In addition, there are a number of programs such as private disability Insurance, Unemployment Insurance and Workers’ Compensation that are also available. Eligibility to participate in these programs is determined by your employee classification and length of continued service with the Agency.

Although this employee handbook does not restate all the features of our benefit programs, it provides brief summaries to acquaint you with some of the key features of the programs. Separate plan summaries and plan documents describe the plans in detail and should be consulted for further information. In the case of a conflict between the benefit information set forth in this employee handbook or oral explanations by agency representatives and the terms and conditions of the official plan documents, the provisions of the official plan documents, as interpreted by the plan administrator, shall control. You are encouraged to review all plan documents carefully to familiarize yourself with all of the provisions of the plans.

Paid Time Off (PTO)

Eligibility

Paid Time Off (PTO) is an all-purpose time-off policy for eligible employees to use for vacation, illness or injury, personal business, the diagnosis, care, treatment of an existing health condition or preventative care of an employee, family member or for employees who are victims of domestic violence, sexual assault or stalking to seek aid, treatment, or related assistance. A family member is defined as a spouse, registered domestic partner (RDP), grandparent, grandchild, sibling, In-law, parent, step-parent, legal guardian, or child (regardless of age or dependency status). Personal business also includes time spent for jury duty and bereavement. Regular full-time employees are eligible to earn and use PTO as described in this policy.

PTO begins accruing upon your date of hire. Employees may begin using PTO upon your 90th day of employment. At that time, you can request the use of earned PTO including that accrued during the waiting period. On your 90th day of employment you will be eligible for our Paid Time Off Schedule.
**Accrual**

Regular, full-time employees accrue 6.15 hours of PTO per pay period for your first year of eligibility. After your first anniversary, and thereafter, you will receive an additional eight (8) hours per year, which will accrue at an additional rate of .31 hours per pay period, not to exceed ten (10) years of employment. While not encouraged, employees are allowed to run a negative balance of no more than 40 hours of time. After this negative balance is reached, no more time off will be approved.

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when you start to earn PTO. You will not earn PTO while you are out on a leave of absence. Therefore, your benefit year may be extended if you go out on a leave of absence other than a military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

**Scheduling PTO**

PTO can be used in minimum increments of one (1) hour for non-exempt employees. Exempt employees may use PTO in ½ day or 1 full day increments. If you have an unexpected need to be absent from work you must notify your direct supervisor before the scheduled start of your workday, if possible. Your direct supervisor must also be contacted on each additional day of unexpected absence.

To schedule planned PTO, you need to request advance approval from your supervisor. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

PTO is paid at your base pay rate at the time of absence. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

PTO will be used to supplement any payments that you are eligible to receive from disability insurance, or workers’ compensation. The combination of any such disability payments and PTO cannot exceed your normal weekly earnings.

**PTO Caps**

In the event that available PTO is not used by the end of the benefit year, you may carry unused time forward to the next benefit year. The amount of PTO carried may not exceed twice your annual accrual. Once this maximum is reached, PTO will stop accruing until PTO is taken.

Upon termination of employment, you will be paid for unused PTO that has been earned through your last day of work.
**Sick Leave**

Sick leave is a form of insurance that is accumulated in order to provide a cushion for incapacitation due to illness. It is to be used only for the diagnosis, care, treatment of an existing health condition or preventative care of an employee, family member or for employees who are victims of domestic violence, sexual assault or stalking to seek aid, treatment, or related assistance. A family member is defined as a spouse, registered domestic partner (RDP), grandparent, grandchild, sibling, In-law, parent, step-parent, legal guardian, or child (regardless of age or dependency status).

For employees who are not eligible for the PTO policy as outlined above, employees will be granted 24 hours of sick leave upon hire and on January 1st of each year thereafter. Employees may begin using sick leave upon their 90th day of employment. Employees may not carry unused sick leave forward to the next year.

When wishing to use sick leave, you must personally call your supervisor prior to the start of your shift on the day you are scheduled to work. Sick leave is not to be taken in less than two (2) hour increments and does not accrue when you are out on sick leave.

A paid absence is counted as hours worked for the purposes of computing a 40-hour week, but is not counted as a basis for computing overtime.

You will not receive sick pay for any days for which you received Workers’ Compensation payments.

If you become a full time employee, you will be eligible to begin accruing PTO based on your full time convergence. You will no longer be eligible for sick leave.

Sick leave is not granted for the purpose of accompanying or taking pets to procure medical attention.

Accrued sick leave does not carry over from year to year. We do not provide pay in lieu of unused sick leave. Additionally, unused sick leave has no cash value and will not be paid at termination.

**Holidays**

We observe the following paid holidays for full-time employees:

- **Martin Luther King Jr.’s Birthday**
- **President’s Day**
- **Memorial Day**
- **Independence Day**
- **Labor Day**
- **Veterans Day**

**Issue Date:** December 1, 2016

**Revised:** February-October 14,
Thanksgiving
Day after Thanksgiving
The week of Christmas Day through New Year’s Day

Eligibility for holiday pay begins upon date of hire. You must also be regularly scheduled to work on the day on which the holiday is observed, and must work your regularly scheduled working days immediately preceding and immediately following the holiday, unless an absence on either day is approved in advance by your supervisor.

When a holiday falls on a Saturday or Sunday, it is usually observed on the preceding Friday or the following Monday. Holiday observance will be announced in advance. All employees will be eligible for the week off between Christmas & New Year’s Day as a paid week off. Part time and non-exempt employees will be paid based on their regular expected hours of work.

If you are on a paid absence due to PTO when a holiday occurs, you will receive holiday pay. Non-exempt employees who work on holidays, due to customer job requirements, will receive regular earned wages.

Insurance Benefits

Medical, Dental and Vision Insurance: We provide comprehensive medical, dental & vision insurance plans for eligible employees and their dependents. You may be required to provide adequate proof of the dependent relationship to add the dependents to our insurance policies. Typically proof of the relationship may be established through a copy of a birth certificate, adoption documents, marriage license, or certificate of registered domestic partnership. We cannot guarantee your domestic partner relationship will be kept confidential.

Full-time employees are eligible on the first of the month once they have completed 30 days of continuous employment with SVCE. The agency will contribute $1,000 towards full-time employee’s medical, dental and vision benefits. You will be responsible for any excess premiums due for the coverage you choose for your dependents. Deductions from your paycheck will be made to cover this cost through payroll deductions. Information describing your benefits will be given to you when you join the program.

During any leave of absence such as personal leave, Workers’ Compensation leave or other disability leave, health benefits will continue through the end of the month. For the duration of any pregnancy disability leave of absence, health and life insurance benefits will be continued for the duration of your pregnancy disability leave.

Please direct any questions you have regarding your health and dental insurance to the Director of Finance and Administration, CFO and Director of Administrative Services.
**Retirement Plan:** Eligible employees must participate in the 401(a) employer-sponsored retirement plan that allows percentage-based contributions from the agency and the employee. Currently, the percentage-based contribution of gross wages is 10% that is equally matched by SVCE. Contributions begin on your first paycheck and you are immediately 100% vested. SVCE also offers a 457(b)-retirement plan that allows percentage-based contributions from the employee only. Participation is voluntary, and contributions can be changed at any time. For more information regarding eligibility, contributions, benefits and tax status, contact the Director of Finance and Administration CFO and Director of Administrative Services. All eligible participants will receive a summary plan description.

**Health Reimbursement Account (HRA):** Full-time employees have the option for SVCE to contribute $500/month to a full-time employee’s HRA. Only the employer contributes to the HRA and the funds used by the employee for allowable expenses are non-taxable. Eligible expenses include health related products and services, copays and prescriptions. For more information, contact the Director of Finance and Administration CFO and Director of Administrative Services.

**Health Savings Account (HSA):** Full-time employees have the option for SVCE to contribute up to $400/month to an HSA, and may contribute additional employee funds (subject to IRS limits). Funds used by the employee for allowable expenses are non-taxable. Eligible expenses include health related products and services, copays and prescriptions. For more information, contact the CFO and Director of Administrative Services.

**Disability Insurance:** The Agency furnishes private short & long-term disability policies. For more information, contact the Director of Finance and Administration CFO and Director of Administrative Services.

**Life and Accidental Death and Dismemberment Insurance:** If you are a regular full-time employee of SVCE, you will be provided our group life insurance coverage paid for by the organization. This insurance is payable in the event of your death, in accordance with the policy, while you are insured. You may change your beneficiary whenever you wish by submitting the appropriate documents to the Director of Finance and Administration CFO and Director of Administrative Services. Refer to the literature provided by our insurance agency for details on your life insurance coverage.

**Unemployment Compensation:** We contribute each year to the California Unemployment Insurance Fund on behalf of our employees.

**Workers’ Compensation:** The agency purchases a workers’ compensation insurance policy to protect you while you are employed by us. The policy covers you in case of occupational injury or illness. It is your responsibility to notify a member of management immediately if injured. Please refer to the Workers’
Compensation policy for additional information.

We provide workers' compensation insurance for our employees as required by state law. The insurance provides important protection for employees who suffer a work-related injury. We encourage you to report all workplace injuries immediately and to take advantage of the benefits provided by our workers' compensation insurance if you are injured on the job.
Workers' compensation insurance provides important protection for employees who suffer an injury at work. Unfortunately, we understand that some employees are encouraged to file fraudulent workers' compensation claims. For your own protection, you should know that the California Insurance Frauds Protection Act provides that it is unlawful for any person to:

"Make or cause to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining . . . compensation . . . and shall be punished by imprisonment in county jail for one year, or in the state prison for two, three or five years, or by a fine not exceeding Fifty Thousand Dollars ($50,000.00)... or by both imprisonment and fine."

Our policy is to investigate all questionable workers' compensation claims. If they appear to be fraudulent, they are referred to the Bureau of Fraudulent Claims and the District Attorney’s office.

**Section 125 (Cafeteria Plan):** SVCE contributes $200/month to eligible employees Flexible Spending Account (FSA). Eligible expenses include health related products and services, prescriptions, copays, dependent care, and work-related public transportation and parking.

Through the flexible spending account (FSA), you may designate an annual dollar amount of your before-tax income to pay for certain eligible expenses. The IRS sets a limit on how much can be funded into a FSA and the limit includes contributions from SVCE and you. Particular care should be taken to assure that the funds required in the flexible spending account are not over estimated as unused funds cannot be returned to the participant at the end of the plan year. Please refer to the Flexible Benefit Plan (SPD) booklet for information about the program. If you need additional information or change forms, please speak with the Director of Finance and Administration CFO and Director of Administrative Services.

**Domestic Partners**

SVCE believes that basic medical/dental/vision coverage should be available to employees and their dependents. To recognize non-traditional family arrangements and to demonstrate our commitment to our community of employees and their families, SVCE has instituted a Domestic Partners Policy. This policy gives you the opportunity to cover your domestic partner on our benefits plans. Under California law, any two adults over the age of 18 can enter into a domestic partnership. SVCE wishes to make it clear that it cannot guarantee confidentiality of the relationship once a domestic partner is covered under our policy. See the Director of Finance and Administration CFO and Director of Administrative Services for more information.
**Benefits Continuation / COBRA**

The federal Consolidated Omnibus Budget Reconciliation Act (“COBRA”) gives qualified employees and their dependents the opportunity to continue health insurance coverage under SVCE’s health plan when a “qualifying event” would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee’s hours or a leave of absence; an employee’s divorce or legal separation; and a dependent child no longer meeting eligibility requirements. Under COBRA, you or the beneficiary pays the full cost of coverage at SVCE’s group rates. In addition, you or the beneficiary may be required to pay an administration fee. Our plan administrator will provide you with a written notice describing rights granted under COBRA when you become eligible for coverage under our plan. The notice contains important information about your rights and obligations.

**Recreational Activities and Programs**

SVCE or its insurer will not be liable for payment of workers’ compensation benefits for any injury that arises out of your voluntary participation in any off-duty recreational, social, or athletic activity that is not part of your work related duties.

**Leaves of Absence**

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with SVCE. It is the policy of SVCE to allow its eligible employees to apply for and be considered for certain specific leaves of absence.

All requests for leaves of absence shall be submitted in writing to your supervisor. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave, and the relationship of family members, if applicable. When you become aware of your need for leave, requests shall be provided at least 30 days in advance. If your need for leave is not foreseeable, you must follow the agency’s customary notice and procedural requirements for requesting leave. Failure to return to work as scheduled from an approved leave of absence or to inform your supervisor of an acceptable reason for not returning as scheduled will be considered a voluntary resignation of employment. While on a leave of absence you may not obtain other employment or apply for unemployment insurance. If either of these instances occurs, you may be viewed as having voluntarily resigned from the agency.

You will not accrue PTO while you are on a leave of absence, regardless of whether it is paid or unpaid. There are several types of leaves for which you may be eligible.

**Medical Leaves of Absence**

A medical leave of absence may be granted for non-work related temporary medical disabilities for up to 30 days with a doctor’s written certificate of disability.
Requests for leave must be made in writing as far in advance as possible, but, requests shall be provided at least 30 days in advance. If your need for leave is not foreseeable, you must follow the agency’s customary notice and procedural requirements for requesting leave. If you are granted a medical leave you will be paid at 50% of your normal wages and are required to use any accrued sick pay or PTO previously accrued.

A medical leave begins on the first day your doctor certifies that you are unable to work and ends when your doctor certifies that you are able to return to work, when the employer is unable to accommodate additional leave or until the end of the month in which the leave began, whichever occurs first. Your supervisor will supply you with a form for your doctor to complete, showing the date you were disabled and the estimated date you will be able to return to work. You must present a doctor’s certificate showing fitness to return to work.

For the duration of any leave of absence, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued until the last day of the month in which the leave begins. For the duration of a pregnancy disability leave, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued for the duration of your pregnancy disability leave. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected.

Beyond this coverage period, if you wish to continue these benefits you may do so by electing to continue the benefit through the COBRA provisions, and by paying the applicable premiums.

You will not accrue PTO while you are on a medical leave of absence.

If returning from a non-work related medical leave, you will be offered the same position held at the time of leaving, if available. However, we cannot guarantee that your job or a similar job will be available upon your return. If SVCE is unable to provide a job for you at the end of your leave, we will end your employment, but you will be eligible to apply for any opening that may arise for which you are qualified.
**Bereavement Leave**

SVCE provides regular full-time and regular part-time employees up to three (3) days’ paid bereavement leave in the event of a death in your immediate family. For purposes of this policy, “immediate family” includes your spouse, parent, child, sibling; your spouse’s parent, child, or sibling; your long-time companion or domestic partner; and your grandparents or grandchildren. If you need to take time off due to the death of an immediate family member you must contact your supervisor. Your supervisor may approve additional unpaid time off.

**Bone Marrow and Organ Donation Leave**

Employees who have been employed for at least 90 days and who are donating an organ to another person may take a paid leave of absence not exceeding 30 business days (and which may be taken in one or more periods) in any one-year. Employees who are donating their bone marrow to another person may take a paid leave of absence not exceeding 5 business days (and which may be taken in one or more periods) in any one year. An additional unpaid leave of up to 30 business days in a 12-month period may be granted to an employee donating an organ.

Requests for leave must be made in writing as far in advance as possible. You must provide a written medical certification from your health care provider to SVCE that shows that you are a bone marrow or organ donor and that there is a medical necessity for the donation.

Bone Marrow and Organ Donation leave is a paid leave, however you are required to use up to 5 days of accrued but unused sick or PTO leave for bone marrow donation, and up to 2 weeks of accrued but unused sick or PTO leave for organ donation.

For the duration of a Bone Marrow or Organ Donation leave of absence, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued until the last day of the month in which the leave begins. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected.

When you are ready to return to work after a Bone Marrow or Organ Donation leave, you must provide certification from your medical care provider that you are able to safely perform all of the essential functions of your position with or without reasonable accommodation. Except as otherwise allowed by law, you are entitled, upon return from leave, to be reinstated in the position you held before the Bone Marrow or Organ Donation leave, or to be placed in a comparable position with comparable benefits, pay, and terms and conditions of employment.
Civil Air Patrol Leave

Employees who volunteer for the California Wing of the Civil Air Patrol are allowed up to ten days of unpaid leave each year. This leave covers employees who are needed to respond to an emergency operational mission who have been employed by the agency for at least 90 days immediately preceding the requested leave. The agency reserves the right to verify the need for the leave with the Air Patrol.

Domestic Violence and Sexual Assault Victim Leave

SVCE takes threats and actions of domestic abuse and sexual assault against our employees very seriously, and wants employees to feel free to obtain services to keep themselves and their dependents safe.

If at any time you need to be absent from work because you have been a victim of domestic violence or sexual assault, and you need to take time off to ensure your safety, seek medical treatment, or receive counseling as a result of domestic violence or sexual assault, please let your supervisor or the Director of Finance and Administration CFO and Director of Administrative Services know immediately. Your privacy will be protected to the greatest extent possible. You may use accrued PTO or sick leave in lieu of unpaid time off for these purposes.

Jury Duty or Witness Leave

You may want to fulfill your civic responsibilities by serving on a jury or as a witness as required by law. You may request unpaid leave for the length of absence, unless the leave of absence is taken as PTO. We will comply with federal and state requirements on pay for exempt employees. You may be requested to provide written verification from the court clerk of having served.

You must show the jury duty or witness summons to your supervisor as soon as possible so that arrangements can be made to cover your absence. Of course, you are expected to report for work whenever the court schedule permits. If you are called for jury duty during a particularly busy time, we may ask you to request the court to postpone the mandatory jury duty to a more convenient time for us. You retain all fees paid for appearing, plus transportation reimbursements received, if any.

Management Wellness Leave

Exempt employees may take up to 40 hours, per calendar year of paid wellness leave. You must submit your request for wellness leave at least 14 days in advance to the Director of Finance and Administration CFO and Director of Administrative Services for approval. This leave can be taken all at once or intermittently. Unused leave cannot be carried over to the following year and is not compensable when you leave SVCE.
Military Leave

If you wish to serve in the military and take military leave you must contact the Director of Finance and Administration, CFO and Director of Administrative Services for information about your rights before and after such leave. You are entitled to reinstatement upon completion of military service provided you return or apply for reinstatement within the time allowed by law.

New Parent Leave Act

Eligibility and Terms of the Leave

If you have worked at least 12 months and for at least 1250 hours in the previous 12 months and work at a worksite where the employer employs 20 or more employees either at the worksite or within 75 road miles of the worksite, you will be eligible to take a parental leave of absence under the New Parent Leave Act for Small Employers (“NPL”) (“NPL leave”) of up to twelve (12) workweeks in a 12-month period. This “rolling” 12-month period begins on the date your leave begins, and ends 12 months after that date. Each time an employee takes family leave, the remaining leave entitlement is any balance of the 12 workweeks not used during the immediately preceding 12 months.

If eligible, you may take a NPL leave for any one of the following reasons:

a. The birth of a child, in order to care for the child;
b. The placement of a child with you for adoption or foster care;

Leave must be concluded within one (1) year of the birth or placement of the child. Where both parents are employed by SVCE, the two parents are entitled to a combined total of twelve (12) workweeks of NPL leave in order to care for the newborn child or newly placed child.

Applying for Leave

If possible, you should give at least thirty (30) days’ notice before beginning a NPL leave.

Return to Work

Except as otherwise allowed by law, you are entitled, upon return from leave, to be reinstated in the position you held before the NPL leave, or to be placed in a comparable position with comparable benefits, pay, and terms and conditions of employment.

Integration with Other Benefits

NPL leave is unpaid. You may use any accrued PTO or sick leave during a NPL leave. SVCE will maintain the group medical benefits during a NPL leave as may be required by law. However, SVCE may recover any premium it has paid for maintaining group medical care coverage during any unpaid part of the NPL leave if you fail to return from the leave, provided that the failure to return is for a reason other than the continuation, recurrence, or onset of a serious health condition, or

Issue Date: December 1, 2016
Revised: February-October 14,
other circumstances beyond your control. You will not accrue PTO nor be paid for holidays, during NPL leave. You should make a “reasonable effort” to schedule such leave so as not to disrupt unduly SVCE operations.

Relationship with Pregnancy Disability Leave
The provisions of this NPL leave policy are separate and distinct from those of the pregnancy disability leave to which you may also be entitled. Leave because of the employee’s disability for pregnancy, childbirth or related medical condition is not counted as time used under NPL. Once the pregnant employee is no longer disabled, or once the employee has exhausted PDL and has given birth she may apply for leave under the NPL, for purposes of baby bonding.

NPL leave does not have to be taken in one continuous period of time, but will be granted in minimum amounts of two weeks. However, the company will grant a request for NPL leave of less than two weeks’ duration on any two occasions. Any leave taken must be concluded within one year of the birth or placement of the child with the employee.

For the duration of your NPL leave, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued for a maximum period of 12 weeks from the start of the leave. This obligation begins on the date leave first begins under NPL. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected.

Beyond this coverage period, if you wish to continue these benefits you may do so by electing to continue the benefit through the COBRA provisions, and by paying the applicable premiums.

Personal Leave
Occasionally, for personal reasons, you may need to be temporarily released from the duties of your job with SVCE. It is the policy of SVCE to allow its eligible employees to apply for and be considered for an unpaid, personal leave of absence.

All requests for leaves of absence shall be submitted in writing to your supervisor. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave, and the relationship of family members, if applicable. When you become aware of your need for leave, requests should be provided at least 30 days in advance. If your need for leave is not foreseeable, you should follow the company’s customary notice and procedural requirements for requesting leave. Failure to return to work as scheduled from an approved leave of absence or to inform your supervisor of an acceptable reason for not returning as scheduled will be considered a voluntary resignation of employment. While on a leave of absence you may not obtain other employment or apply for unemployment insurance. If either of these instances occurs, you may be viewed as having voluntarily resigned from the company.
You may elect to use any accrued PTO or sick leave time, however you will not accrue PTO or sick time while you are on a leave of absence.

For the duration of your personal leave of absence, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued for the duration of your leave. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected. If you wish to continue these benefits you may do so by electing to continue the benefit through the COBRA provisions, and by paying the applicable premiums.

If SVCE cannot reinstate you to the position you held before your leave began, SVCE may offer you a comparable position, provided that a comparable position exists and is available, and provided that filling the available position would not substantially undermine SVCE’s ability to operate safely and efficiently.

**Pregnancy Disability Leave**

**Eligibility and Terms of Leave**
Female employees are entitled to an unpaid Pregnancy Disability Leave (PDL) during the time they are disabled due to pregnancy, childbirth, or related medical conditions. This leave will be for the period of disability, up to four months or 17 1/3 workweeks. You are “disabled by pregnancy” if you are unable because of pregnancy to work at all, are unable to perform the essential functions of your job, or to perform these functions without undue risk to successful completion of your pregnancy, or to other persons.

Leave may be taken intermittently or on a reduced work schedule when medically advisable, as determined by your medical care provider. Medical certification is required, and the length of Pregnancy Disability Leave will depend on the medical necessity for the leave. If you need intermittent leave or leave on a reduced schedule, SVCE may require you to transfer, during the period of the intermittent or reduced schedule leave, to an available alternative position for which you are qualified and which better accommodates your recurring periods of leave. Transfer to an alternative position may include altering an existing job to better accommodate your need for intermittent leave or a reduced work schedule.

**Applying For Leave**
If possible, you shall give at least 30 days notice requesting a pregnancy-related leave. This notice must provide and include the expected date on which the leave will begin, written certification from your medical care provider stating the anticipated delivery date and the duration of the leave.
Return to Work

Before returning to work, you must provide a release from your medical care provider certifying that you are able to safely perform all of the essential functions of your position with or without reasonable accommodation. SVCE will reinstate you to your position unless:

1. Your job has ceased to exist for legitimate business reasons;
2. Your job could not be kept open or filled by a temporary employee without substantially undermining SVCE’s ability to operate safely and efficiently;
3. You have directly or indirectly indicated your intention not to return;
4. You are no longer able to perform the essential functions of the job with or without reasonable accommodation;
5. You have exceeded the length of the approved leave; or
6. You are no longer qualified for the job.

If SVCE cannot reinstate you to the position you held before the pregnancy disability leave began, SVCE will offer you a comparable position, provided that a comparable position exists and is available, and provided that filling the available position would not substantially undermine SVCE’s ability to operate safely and efficiently.

Integration with Other Benefits

A pregnancy disability leave is unpaid, but you are required to use your accrued sick leave during the leave. In addition, you may elect to use accrued PTO during the leave. Sick leave and PTO will supplement any Disability Insurance benefits. SVCE will maintain group medical benefits during a pregnancy disability leave as required by law. No additional PTO, sick leave or holiday pay will accrue during the leave. You may also, however, be eligible for short term disability benefits.

Continuation of Medical Benefits

For the duration of your PDL leave of absence, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued for the duration of your pregnancy disability leave. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected. Beyond this coverage period, if you wish to continue these benefits you may do so by electing to continue the benefit through the COBRA provisions, and by paying the applicable premiums.
School Activities and Day Care Leave

The company will allow employees who work at a location with 25 or more employees, time off to participate in school activities. An employee who is the parent, guardian, step-parent or foster parent of a child enrolled in a licensed child day care facility or in kindergarten through grade 12 may take up to 40 hours of unpaid time off per year (limited to 8 hours per month) to visit the child’s facility or school, find or enroll the child in school or day care and cover child care emergencies. You must use PTO for the visits, and may be asked to provide documentation from the facility or school verifying the date and time of your visits.

School Appearance Leave

If you are the parent or guardian of a child who has been suspended from school and you receive a notice from your child’s school requesting that you attend a portion of a school day in the child’s classroom, you may take unpaid time to appear at the school, unless you use accrued PTO. Before your planned absence, you must give reasonable notice to your supervisor that you have been requested to appear by your child’s school.

Time off for Victims of Domestic Violence and Sexual Assault

SVCE takes threats and actions of domestic abuse and sexual assault against our employees very seriously, and wants employees to feel free to obtain services to keep themselves and their dependents safe.

If at any time you need to be absent from work because you have been a victim of domestic violence or sexual assault, and you need to take time off to ensure your safety, seek medical treatment, or receive counseling as a result of domestic violence or sexual assault, please let your supervisor or the Director of Finance and Administration, CFO and Director of Administrative Services know immediately. Your privacy will be protected to the greatest extent possible. You may use accrued PTO or sick leave in lieu of unpaid time off for these purposes.

Time Off for Victims of a Violent or Serious Crime

Under certain circumstances, employees who are victims of serious crimes may take time off work to participate in judicial proceedings. Qualified family members of such crime victims may also be eligible to take time off from work to participate in judicial proceedings. The law defines a serious crime to include violent or serious felonies, such as felonies involving theft or embezzlement, crimes involving vehicular manslaughter while intoxicated, child abuse, physical abuse of an elder or dependent adult, stalking, solicitation for murder, hit-and-run causing death or injury, driving under the influence causing injury, and sexual assault. When possible, you must provide us with advance notice of the need for the time off.
Your privacy will be protected to the greatest extent possible. Time away from work
for non-exempt employees will be without pay, unless you wish to use your accrued PTO or sick leave to cover the period of absence.

**Time Off to Vote**

If you do not have sufficient time outside of working hours to vote in a statewide election, you may, without loss of pay, take off up to two hours of working time to vote. Such time must be at the beginning or end of the regular working shift, whichever allows the most free time for voting and the least time off from working, unless otherwise mutually agreed. You must notify us at least two working days in advance to arrange a voting time.

**Volunteer Emergency Duty Leave**

SVCE will allow unpaid time off to employees who perform emergency duty as a volunteer firefighter, reserve peace officer, emergency rescue personnel, an officer, employee, or member of a disaster medical response entity sponsored or requested by the state. If you are a volunteer firefighter, or perform other emergency personnel duties, please alert your supervisor so that he or she may be aware of the fact that you may have to take time off for emergency duty. When possible, you must provide us with advance notice of the need for the time off. Time away from work will be without pay, unless you wish to use your accrued PTO or sick leave to cover the period of absence.

**Volunteer Time Off**

SVCE believes in the importance of giving back to our community. All employees may request up to 40 hours of paid time off each calendar year to volunteer at a 501(c)(3) organization, approved by the Director of Finance and Administration and Director of Administrative Services. Requests must be made at least 14 days in advance and the time off does not have to be on consecutive days. Time off must be used in a minimum of 2 hour increments. You may not use more than 2 days per quarter and unused Volunteer Time Off cannot be carried over to the following year.
Workers’ Compensation

We, in accordance with state law, provide insurance coverage for employees in case of a work related injury. To ensure that you receive any workers’ compensation benefits to which you may be entitled, you will need to:

1. Immediately report any work-related injury to your supervisor.
2. Seek medical treatment and follow-up care if required.
3. Complete a written Employee’s Claim Form (DWC Form 1) and return it to your supervisor.

Provide us with certification from your health care provider regarding the need for workers’ compensation disability leave and your ability to return to work from the leave.

Return to Work Policy

SVCE is committed to returning injured employees to modified or alternative work as soon after a work related injury as possible. This may be accomplished by temporarily modifying your job or providing you with an alternative position. Your medical condition along with any limitations or restrictions given by the attending physician will be considered as a priority when identifying the modified/alternative position.

The program is intended to provide our employees with an opportunity to continue as valuable members of our team while recovering from a work related injury. We want to minimize any adverse effects of an ongoing disability on our employees. This program is intended to promote speedy recovery, while keeping the employees’ work patterns and income consistent. At the same time, we benefit from having our employees providing a service and contributing to the overall productivity of our business.
Receipt and Acknowledgment of SVCE Employee Handbook

I have received my copy of SVCE’s employee handbook. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in the handbook.

At-Will Employment
I further understand that my employment is at-will, and neither SVCE nor I have entered into a contract regarding the duration of my employment. I am free to terminate my employment with SVCE at any time, with or without cause. Likewise, the agency has the right to terminate my employment with or without cause, at the discretion of the agency. No employee of SVCE can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without the written agreement from the CEO and formal approval by the Board.

Future Revisions
We reserve the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this employee handbook or in any other document, except for the policy of at-will employment. Any written changes to this employee handbook will be distributed to all employees so that you will be aware of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this employee handbook.

Drug and Alcohol Abuse Policy
I certify that I have read the agency’s Drug and Alcohol Abuse Policy and agree to abide fully by its terms. I understand that as a condition of my employment, I must notify the agency of any conviction for a drug violation that occurs within five days after such a conviction. I understand that any violation of the policy may result in serious disciplinary action, including immediate termination.

Employee's Printed Name____________________   Position________________
Employee's Signature_______________________   Date__________________
Receipt and Acknowledgment of SVCE Handouts

**CA Rights of Victims of Domestic Violence, Sexual Assault and Stalking**
I acknowledge that I have received the enclosed pamphlet on my rights for job protected time off if I am ever a victim of domestic violence, sexual assault or stalking.

**Sexual Harassment Prevention Handout**
I acknowledge that I have read and understand the enclosed pamphlet on sexual harassment prevention in the workplace and reporting procedures in the event that harassment occurs.

**Workers’ Compensation Handout**
I acknowledge that I have received the enclosed pamphlet on workers’ compensation benefits.

Employee's Printed Name_________________________  Position____________________

Employee's Signature____________________________  Date_______________________
Staff Report – Item 1g

Item 1g: Receive 2020 Q3 Quarterly Programs Report

From: Girish Balachandran, CEO
Prepared by: Aimee Bailey, Director of Decarbonization and Grid Innovation Programs
Date: 10/14/2020

RECOMMENDATION
Staff recommends the Board accept the Q3 2020 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 (abbv. "Roadmap"). In December 2018, the Board approved the Roadmap, and since that time, staff have been working on implementation.

ANALYSIS & DISCUSSION
Attachment 1 is the most recent quarterly update, covering July through September of 2020. The quarterly update includes bulleted highlights and a table with a summary of updates and next steps for each initiative.

STRATEGIC PLAN
SVCE’s Strategic Plan Goal 5 is to work with the community to achieve energy and transportation GHG emissions reductions of 30% emissions reduction from the 2015 baseline by 2021, 40% by 2025 and 50% by 2030. This work is being carried out to support Strategy 5.2, which is to execute and maintain the Roadmap to achieve community-wide emissions reduction targets.

FISCAL IMPACT
Accepting the Q3 2020 Update of the Decarbonization Strategy & Programs Roadmap has no fiscal impact.

ATTACHMENTS
1. Decarbonization Strategy & Programs Roadmap – Q3 2020 Update
Decarbonization Strategy & Programs Roadmap
Q3 2020 Update
October 14, 2020 BOD Meeting

Highlights:

- **eHub Launch:** The SVCE eHub provides customers with educational information and resources on how clean energy can be used to power their home, car and appliances. The eHub ‘soft launched’ in June and staff spent the summer working on testing, refinement, and implementing translated webpages. In September, eHub was formally launched to SVCE customers through a press announcement, media, and digital outreach through SVCE member agencies. eHub offers a set of third-party tools that customers can use to browse solar and battery systems with the Solar Assistant, compare EV models and rebates with the EV Assistant, or learn about and shop electric appliances with the Appliances Assistant. Further eHub promotion and advertising will continue through 2021.

- **Building Decarbonization Joint Action Plan:** Since spring 2020, SVCE along with our member agency staff have been working on developing a Building Decarbonization Joint Action Plan to articulate a shared vision for how we can build on progress through the reach code effort, to continue to work to decarbonize the built environment. The plan consists of a set of priorities and actions that joint parties have committed to advancing, with a continued focus on activities where local agencies such as SVCE and member agencies have highest leverage and influence. With support from Integral Group, plan development involved a collaborative, joint planning process designed to facilitate the emergence of new solutions, cultivate community buy-in, and coordinate peer-to-peer learning. Goals and actions were developed using a combination of research and prior program experience, as well as stakeholder workshops, interviews, and feedback and filtered through SVCE’s Board-adopted strategic framework from the Roadmap. A wide variety of stakeholders participated in the development, including voices from private, non-profit, and municipal groups, advocacy, state policy and industry experts. A draft of the plan was released in July 2020. Based on stakeholder input, an updated version was presented to the Executive Committee in September. Staff plan to bring the final version forward for Board review in Fall 2020 along with a proposed implementation plan.

- **Lights On Silicon Valley:** SVCE is scheduled to soon launch the “Lights On Silicon Valley” program that is the result of our November 2019 solicitation of distributed resource adequacy capacity. This program will lead Sunrun to install thousands of solar and storage energy backup systems to give our customers increased resilience in the face of outages. When there are not outages, these devices will be aggregated to provide significant energy to the grid during peak times of day. By selecting Sunrun to administer a load modifying program using these newly installed batteries and providing some co-marketing support, SVCE has secured a $1,250 up-front rebate for residents who install with Sunrun and enroll in our program.
### Power Supply

**PS1: C&I Clean Power Offerings**

- Develop, market and sell additional SVCE power offerings to address large C&I customers seeking to buy clean power at competitive rates
- Received signed LOI for Eco-Investment Discount offering with pilot customer; begin funds accrual
- Developed and delivered alternative approaches for ‘GreenPrime 24x7’ carbon free offering to pilot customer; currently under consideration
- Discussions of GreenPrime Direct sleeved PPA arrangement with pilot customer put on hold due to fit concerns with proposed PPA
- Formalize contractual arrangement for Eco-Investment Discount with pilot customer
- Establish LOI with pilot customer for customer offering minimizing carbon emissions on a 24x7x365 basis

### Built Environment

**BE1: Reach Codes**

- Provide model energy code supportive of all-electric design and EV infrastructure to member agencies along with consultant support
- 10 cities have passed Reach Codes
- 1 member agencies still actively engaged
- Technical support platform contracted and serving a few customers prior to full launch
- Contractor and city staff training priorities identified
- Continue to support stakeholder engagement meetings held by the cities and to participate in City Council sessions
- Support post-implementation tool/training development for city staff
- Full launch technical support platform and training services

**BE2: All-Electric Showcase Grants**

- Provide incentives for all-electric buildings and share case studies about them and the professionals involved in their design
- All residential project profiles are complete and available on the SVCE website: [https://www.svcleanenergy.org/all-electric-award/](https://www.svcleanenergy.org/all-electric-award/)
- Phase two of program design contingent on priorities identified and defined through the Building Decarb Joint Action Plan

**BE3: FutureFit Heat Pump Water Heaters**

- Provide incentives for electric heat pump water heaters and service panel upgrades to residents using natural gas currently
- Phase 1 (Air District co-funded program) closed to new enrollments, EM&V with ADM has begun, 93 systems installed/operational
- Phase 2 (approved by Board in 2020) launched July 2020 and currently has 75 reservations processed, 10 project completions
- SMUD managing customer inquiries and reservations for Phases 1 and 2
- Phase 1 – continue to process existing reservations until final reservations installed
- Phase 1 – continue working with ADM on impact analysis of HPWH (EM&V)
- Phase 2 – continue to promote program
- Phase 2 – establish information exchange protocol with BayREN about their Home+ program
<table>
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<tr>
<th>BE4: Workforce Development</th>
<th>Help build an industry-leading workforce that can accelerate decarbonization by advising on, installing, maintaining, and repairing low-carbon technologies</th>
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<tr>
<td></td>
<td>• Incorporated workforce development program design and prioritization in the stakeholder engagement process for the Building Decarbonization Joint Action Plan</td>
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<td>• Through the Building Decarbonization Joint Action Plan, one or more priority areas will be identified for ongoing focus</td>
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<tr>
<th>BE5: Streamlining Community-Wide Electrification</th>
<th>Benchmark and streamline member agency’s permitting and inspection processes to identify barriers and opportunities to electrification</th>
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<td>• TRC began data collection in late August</td>
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<td>• Currently scheduling interviews with city’s building department staff, contractors, and industry stakeholders to learn about permitting and inspection processes</td>
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<td>• Information collected from interviews will inform the Baseline Assessment</td>
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<td>• Will host expert stakeholder webinar to solicit input for Best Practices Guide</td>
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<tr>
<th>BE6: Building Decarb Joint Action Plan</th>
<th>Develop a joint action plan with member agencies to prioritize strategies and programs to advance building decarbonization</th>
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<td>• Continued execution of planning process, including stakeholder engagement to inform the first draft of the plan</td>
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<td>• Released and solicited feedback on the first draft of the plan and disseminated the key strategies and priorities identified</td>
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<td>• Updated plan based on stakeholder feedback</td>
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<td>• Presented draft plan to the Executive Committee for input</td>
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<td>• Finalize updates based on Executive Committee input &amp; bring forward for Board review in Fall 2020</td>
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<tr>
<th>BE7: Resilience at Community Facilities</th>
<th>Increase the individual and collective capacity of SVCE and our member agencies to reduce adverse impacts of power outages.</th>
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<td></td>
<td>• Combined the previously approved Critical Community Facilities program with the newly approved and now launched Community Resilience program</td>
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<td>• Began contracting for planning component.</td>
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<td>• Launch planning activities</td>
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<td>• Execute member agency capital project grant agreements on a rolling basis.</td>
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<td><strong>BE8: FutureFit Fundamentals</strong></td>
<td><strong>BE9: Bill Relief</strong></td>
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<tr>
<td>Provide financial relief to contractors by expanding their knowledge of electrification technologies</td>
<td>Provide immediate bill relief to residential CARE/FERA customers, and to qualifying small business customers</td>
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</table>

- Contracted with Redwood Energy for primary instruction, Karen Nelson for project management, and Derek May for videography
- Collaborated with ten subject matter experts for content
- Delivered five online webinars to test run our materials
- Adjusted content and filmed roughly 20 hours of content
- Contracted with Workforce Institute for online education platform and student support

- Edit existing content
- Film remaining gaps in content
- Contract for incentive administration services for installation incentive component
- Initial limited launch in Q4 of full online curriculum

- Sent letters to 25,000 residential CARE/FERA customers informing them of the $100 in bill credits from SVCE, in two successive monthly increments of $50
- Over $2.5M in residential bill credits now applied
- Second wave of residential credits now being applied to ~1,500 customers who have joined CARE/FERA since launch of initial program in May
- Sent two letters and two emails to ~10,000 qualifying small business customers informing them of their eligibility to receive a $250 bill credit from SVCE upon receipt of a simple application form
- Over 3,100 businesses have now applied for and received the $250 bill credit

- Finish remaining CARE/FERA credits for ‘second wave’ customers by end of November
- Continue to receive small business applications and apply credits through end of September
- Conduct program EM&V activities

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<tr>
<th><strong>MO1: EV Infrastructure Strategy &amp; Plan</strong></th>
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<td>Develop a near- to mid-term strategy for EV infrastructure and a set of program implementation plans</td>
<td>(COMPLETED)</td>
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- (COMPLETED)
| MO2: California Electric Vehicle Infrastructure Project (CALeVIP) | • Finalized key program elements  
• Developed online materials and documentation (application forms, etc.)  
• Prepared marketing materials  
• Webpage launched on September 16th | • CALeVIP webpage and application portal development work  
• Complete online materials and documentation (application forms, etc.)  
• Continue marketing/outreach in anticipation of Q4 2020 launch date  
• Open for applications on December 16th |
| --- | --- | --- |
| MO3: Priority Zone DCFC | • Closed application window on September 30th  
• Promoted program via emails and meetings with stakeholders | • Evaluate applications  
• Select winning sites and inform applicants prior to CALeVIP launch |
| MO4: MUD Technical Assistance | • Conducted outreach to prioritized commercial and MUD properties  
• Began site analysis for first three participants  
• Launched website | • Conduct on-going outreach  
• Provide assistance to first cohort of properties |
| MO5: S/M Workplace Charging Rebates | • Due to synergies in program efforts, decided to merge with MO4: MUD Technical Assistance | • Merged with MO4, above |
| MO6: Fleet Electrification Grants | • No further development work  
• Participated in a few calls on other relevant fleet programs in the region | • Connect with existing programs also supporting fleets to confirm SVCE program design  
• May hold off on working on solicitation for consultant to support program until Q1 2021 due to bandwidth and other priorities |
| MO7: Silicon Valley Transportation Electrification Clearinghouse (SVTEC) | • Held the fourth quarterly meeting in September  
• Held meetings with EVSE companies as first step in designing permitting and interconnection initiatives  
• Conducted funding needs survey with SVTEC members | • Hold next quarterly meeting in December  
• Further develop and continue to execute regional initiatives aimed at reducing soft costs of EVI deployment  
• Develop detailed fundraising strategy |
| MO8: Regional Recognition | • Received and reviewed first batch of applications | • Select “best practices” to highlight  
• Design education and marketing materials  
• Host recognition event and release materials that highlight regional achievements and expand knowledge |
| GI1: Virtual Power Plant | • By way of background, SVCE joined EBCE, PCE and Silicon Valley Power in the joint issuance of an RFP for over 30MW of resource adequacy from behind-the-meter solar and storage systems (aka “Resilience RFP”) – deadline for applications was Dec 23, 2019. Staff completed RFP evaluation in Q1.  
• Executed contract with Sunrun for residential customer segment & finalized pre-launch marketing and communications materials | • Planned program launch with Sunrun in Fall 2020 |
| EO1: Customer Resource Center (eHub) | • Launched resource to community members via press release and social media toolkits for member agencies  
• Planning outbound email campaigns and promotions to drive engagement with the site  
• Finalize evaluation metrics  
• Deploy customer awareness survey | • Implement email marketing campaigns to drive traffic to eHub and third-party tools  
• Complete media planning and promotional video to drive awareness and interest in eHub |
<table>
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<tr>
<th>Innovation</th>
<th>EO2: Community Engagement Grants</th>
<th>IN1: Innovation Partners</th>
<th>IN2: Innovation Onramp</th>
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<tr>
<td><strong>Partner with local organizations in hard-to-reach customer segments to promote SVCE offerings and programs</strong></td>
<td><strong>Future launch date TBD; on-hold due to COVID-19</strong></td>
<td><strong>SVCE was an original sponsor of Powerhouse SunCode 2020, which was cancelled due to COVID. Coordinated with Powerhouse to explore other uses of sponsorship funds.</strong></td>
<td><strong>Finalized evaluation process &amp; selected third cohort of pilots resulting from the Spring 2020 call for applications focusing on resilience</strong></td>
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<td><strong>No further Q3 activities</strong></td>
<td><strong>Began negotiations with third cohort</strong></td>
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<td><strong>Ongoing management of pilots</strong></td>
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<td><strong>Began customer enrollment for pilot project with ev.energy focused on telematics based smart charging</strong></td>
<td><strong>Finalize all negotiations for third cohort of pilots resulting from Spring 2020 application cycle</strong></td>
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<td><strong>Prepare for fourth call for applications for Fall 2020 (may be delayed or skipped)</strong></td>
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<td><strong>Ongoing management of pilots</strong></td>
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Staff Report – Item 1h

Item 1h: Authorize the Chief Executive Officer to Execute Agreement with Pacific Energy Advisors, Inc. for Technical Consulting Services

From: Girish Balachandran, CEO
Prepared by: Kevin Armstrong, Administrative Services Manager
Date: 10/14/2020

RECOMMENDATION
Staff recommends the Board authorize the CEO to execute an agreement with Pacific Energy Advisors, Inc. (PEA) for technical consulting services from October 16, 2020 through September 30, 2021 for an amount not to exceed $163,200.00.

BACKGROUND
Silicon Valley Clean Energy (SVCE) has been utilizing the services of PEA since the Agency’s formation with the current agreement expiring on October 15, 2020. The recommended agreement is $28,800 less than the current agreement as the scope of work has been reduced to reflect the maturing of the agency, increased internal staffing, and industry expertise and joint-agency power procurement efforts.

ANALYSIS & DISCUSSION
There are two tasks included in this contract’s scope of work. Task 1 focuses on risk management and forecasting services including:

- Maintenance of annual and long-term sales forecast
- Risk Management of power supply
  - Provide independent oversight to ensure Risk Management Policy compliance
  - Assist staff with the Middle-Office role in the power procurement function.

Task 1 functions are funded by the monthly retainer. With 30 days’ notice, SVCE can request to reduce the scope of Task 1 and remove the load forecasting function, which would lower the monthly retainer.

Task 2 would include any request for services not included in Task 1 and is funded with the time-and-materials compensation structure. Examples of services in Task 2 would include rate setting, regulatory support, and management of the renewable energy credit process.

STRATEGIC PLAN
The recommendation supports the power procurement, regulatory and financial goals of the strategic plan.

FISCAL IMPACT
The current agreement includes a monthly retainer fee of $13,500 per month and a time and materials amount of $30,000 for a total value of $192,000. The recommended agreement reduces the monthly retainer
to $11,100 per month for Task 1 (see Exhibit A of Attachment 1), with an option to discontinue load forecasting and further reduce the monthly retainer to $8,100. The recommended agreement retains a time and materials-based compensation structure for services beyond Task 1 in a not to exceed amount of $30,000, resulting in a total fiscal impact of up to $163,200, if load forecasting continues throughout the agreement term. If the option to reduce Task 1 services is exercised, the fiscal impact would be lowered by $3,000 per month, pro-rated for the number of remaining months on the agreement at the time the option is exercised.

ATTACHMENTS
AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND PACIFIC ENERGY ADVISORS, INC FOR TECHNICAL CONSULTING SERVICES

THIS AGREEMENT ("Agreement"), is entered into this 16th day of October 2020, by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency, ("Authority"), and PACIFIC ENERGY ADVISORS, INC, a California corporation whose address is 1839 Iron Point Road, Suite 120, Folsom, CA 95630 (hereinafter referred to as "Consultant") (collectively referred to as the “Parties” and individually as a “Party”).

RECITALS:

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

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

C. Authority and Consultant desire to enter into an agreement for technical consulting services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. TERM

   The term of this Agreement shall commence on October 16, 2020, and shall terminate on September 30, 2021, unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED

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

3. COMPENSATION TO CONSULTANT

   Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed one hundred sixty-three thousand two hundred and 00/100 dollars ($163,200.00) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.
4. **TIME IS OF THE ESSENCE**

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

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards of specially trained professionals in the San Francisco Bay Area under similar circumstances and in a manner reasonably satisfactory to Authority and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall be responsible to Authority for any errors or omissions in the performance of work pursuant to this Agreement. Should any errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to Authority by redoing the professional work and/or revising the work product(s) called for in the Scope of Services to eliminate the errors. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by Authority, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, Authority may deduct the cost of such correction from any retention amount held by Authority or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

6. **INDEPENDENT PARTIES**

Authority and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Authority to its employees, including but not limited to, unemployment insurance, workers’ compensation plans, vacation and sick leave are available from Authority to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. Consultant shall indemnify and hold harmless Authority and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of Authority officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Consultant’s personnel practices. Authority shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to Authority from Consultant as a result of Consultant’s failure to promptly pay to Authority any reimbursement or indemnification arising under this section.

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

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

8. **NON-DISCRIMINATION**

   In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law.

9. **HOLD HARMLESS AND INDEMNIFICATION**

   Consultant shall, to the fullest extent allowed by law indemnify, defend, and hold harmless the Authority and its members, officers, officials, agents, employees and volunteers from and against any and all liabilities, claims, actions, causes of action, demands, damages and losses whatsoever against any of them, including any injury to or death of any person or damage to property or other liability of any nature, whether physical, emotional, consequential or otherwise, arising out of or related to the negligence or willful misconduct of Consultant or Consultant's employees, officers, officials, agents or independent contractors in the performance of this Agreement, except where caused by the sole negligence or willful misconduct of Authority or its members, officers, officials, agents, employees and volunteers. Such costs and expenses shall include reasonable attorneys’ fees of counsel of Authority’s choice, expert fees and all other costs and fees of litigation. The acceptance of the services provided by this Agreement by Authority shall not operate as a waiver of the right of indemnification. The provisions of this Section survive the completion of the services or termination of this Agreement.

10. **INSURANCE**

    A. **General Requirements.** On or before the commencement of the term of this Agreement, Consultant shall furnish Authority with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with the requirements listed in Exhibit "D," which is attached hereto and incorporated herein by this reference. Such insurance and certificates, which do not limit Consultant’s indemnification obligations under this Agreement, shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days’ advance written notice to the Authority by certified mail, Attention: Chief Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company that is acceptable to Authority and licensed to do insurance business in the State of California. Endorsements naming the Authority as additional insured shall be submitted with the insurance certificates.
B. **Subrogation Waiver.** Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.

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

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

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

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

11. **CONFLICT OF INTEREST**

Consultant warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant’s services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services
for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the Authority Representative’s prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this section into any subcontract that Consultant executes in connection with the performance of this Agreement. Consultant understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff Authority, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. **PROHIBITION AGAINST TRANSFERS**

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

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

13. **SUBCONTRACTOR APPROVAL**

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

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

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

14. **REPORTS**

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

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

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

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

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

F. Authority shall be the owner of and shall be entitled upon request to immediate possession of accurate reproducible copies of Reports or other pertinent data and information gathered or computed by Consultant prior to termination of this Agreement or upon completion of the work pursuant to this Agreement.

15. **RECORDS**

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

16. **PARTY REPRESENTATIVES**

The Chief Executive Officer ("Authority Representative") shall represent the Authority in all matters pertaining to the services to be performed under this Agreement. John Dalessi or Kirby Dusel ("Consultant Representatives") shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **INFORMATION AND DOCUMENTS**

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by Authority. Authority shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the Authority Representative or unless requested in writing by the Authority Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the Authority. Response to a subpoena or court order shall not be considered “voluntary,” provided Consultant gives Authority notice of such court order or subpoena.

B. Consultant shall promptly notify Authority should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the Authority. Authority may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with Authority and to provide Authority with the opportunity to review any response to discovery requests provided by Consultant. However, Authority’s right to review any such response does not imply or mean the right by Authority to control, direct or rewrite the response.

C. In the event Authority gives Consultant written notice of a “litigation hold”, then as to all data identified in such notice, Consultant shall, at no additional cost to Authority, isolate and preserve all such data pending receipt of further direction from the Authority.

D. Consultant agrees to comply with the confidentiality provisions set forth in Exhibit “E,” attached hereto and incorporated herein by this reference.

E. Consultant’s covenants under this section shall survive the expiration or termination of this Agreement.
18. **NOTICES**

Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant’s and Authority’s regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

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

**TO CONSULTANT:**
John Dalessi
Pacific Energy Advisors, Inc
1839 Iron Point Road, Suite 120
Folsom, CA 95630

19. **TERMINATION**

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

In the event of Authority’s termination of this Agreement due to no fault or failure of performance by Consultant, Authority shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall immediately deliver to the Authority any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of Authority. Consultant shall have no other claim against Authority by reason of such termination, including any claim for compensation.
20. **COMPLIANCE WITH LAWS**

Consultant shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Consultant shall, at all times, observe and comply with all such laws and regulations. Authority, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

Consultant represents and agrees that all personnel engaged by Consultant in performing services are and shall be fully qualified and are authorized or permitted under state and local law to perform such services. Consultant represents and warrants to Authority that it has all licenses, permits, certificates, qualifications, and approvals required by law to provide the services and work required to perform services under this Agreement, including a business license. Consultant further represents and warrants that it shall keep in effect all such licenses, permits, and other approvals during the term of this Agreement.

21. **CONFLICT OF LAW**

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

22. **ADVERTISEMENT**

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

23. **WAIVER**

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

24. **INTEGRATED CONTRACT**

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

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

26. **INSERTED PROVISIONS**

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

27. **CAPTIONS AND TERMS**

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

28. **AUTHORITY’S RIGHTS TO EMPLOY OTHER CONSULTANTS**

Authority reserves the right to employ other consultants in connection with the subject matter of the Scope of Services.

29. **EXHIBITS**

The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant’s proposal, the provisions of this Agreement shall control.

30. **FORCE MAJEURE**

Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in Authority’s sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond Consultant’s reasonable control and not due to any act by Consultant.

31. **FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE**

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of Authority from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant’s work or services. Acceptance of payment
shall be any negotiation of Authority’s check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by Authority shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by Authority for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

32. ATTORNEY FEES

In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall be entitled to recover all attorneys’ fees, experts’ fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

33. SEVERABILITY

If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

34. SUCCESSORS AND ASSIGNS

The terms and conditions of this Agreement shall be binding on the successors and assigns of the Parties to this Agreement.

35. NO THIRD PARTY BENEFICIARIES INTENDED

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

36. COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.

37. DRAFTING PARTY

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.
IN WITNESS WHEREOF, the Parties have caused the Agreement to be executed as of the date set forth above.

RECOMMENDED FOR APPROVAL

_______________________________
Kevin Armstrong
Administrative Services Manager

CONSULTANT NAME
PACIFIC ENERGY ADVISORS, INC

By: __________________________
Name: John Dalessi
Title: President
Date: __________________________

SILICON VALLEY CLEAN ENERGY
AUTHORITY
A Joint Powers Authority

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

APPROVED AS TO FORM:

_______________________________
Counsel for Authority

ATTEST:

_______________________________
Authority Clerk
Exhibit A
Scope of Services

Task 1. Risk Management and Forecasting Services

(a) Maintain Annual and Long-Term Sales Forecast:
- Prepare and maintain SVCE customer and electric sales forecasts including forecast of: 1) monthly enrolled accounts, megawatt hours (“MWh”) and megawatts (“MW”) by load profile group; and 2) monthly coincident peak MW and hourly MW for the SVCE system.
- Update long term sales forecasts biannually and more frequently as necessary; monitor accuracy of load forecast on monthly basis; consider adjustment if variance exceeds threshold of 5% forecast error.
- Communicate all forecasting changes to appropriate SVCE staff.

(b) Electric Supply Risk Management and Middle Office Support:
- Monitor net open positions and market exposure pursuant to SVCE risk management policy. Produce monthly Middle Office Risk Oversight Committee reports and participate in monthly Risk Oversight Committee meetings as requested. Risk Reports shall cover the following items:
  - MO.1: Portfolio Positions: Net Open Position for energy hedge, renewable portfolio standards energy, carbon free energy, and resource adequacy capacity
  - MO.2: Net Open Position Market Exposure
  - MO.3: Net Open Position Value-at-Risk
  - MO.4: Mark-to-market Portfolio Valuation
  - MO.5: Counterparty Concentration Risk
  - MO.6: Collateral Thresholds and Default Exposures
  - MO.7: Energy Risk Management Policy Exception(s)
- Provide support in review and maintenance of SVCE Risk Management Policy and Credit Risk Management Guidelines
- Monitor Credit Risk and Produce Counterparty Headroom reports

Task 2. Other-As-Requested Operational Support

This task includes as needed consulting services not otherwise included in Task 1, potentially including, but not limited to:
- Maintain pro forma financial model and support SVCE staff in preparing annual budgets and conducting scenario analyses.
- As necessary, coordinate with SVCE and its financial advisors with regard to matters that may impact SVCE’s financial standing, debt levels, electric rates, annual budget, resource planning and other key concerns.
- Assist with the development of proposed SVCE rate schedules and PG&E rates benchmarking
Exhibit B
Schedule of Performance

The work performed under Task 1 will be completed on an ongoing basis throughout the term of this Agreement. Should any change to the scope of work under Task 1 be needed, SVCE shall provide 30-days’ notice in advance of any scope changes. Work performed under Task 2 will be completed upon request subject to available budget and mutually agreeable timelines for completion.
Authority shall compensate Consultant for professional services in accordance with the terms and conditions of this Agreement based on the rates and compensation schedule set forth below.

Compensation Schedule

Task 1: $11,100 per month.
If during the term of this Agreement Task 1(a) is removed and only Task 1(b) services are included in the Scope of Services, the fee shall be reduced to $8,100 per month.

Task 2. Regulatory Support & Other Services: billed on a time and materials basis at the hourly rate schedule set forth below, subject to a total not to exceed cost of $30,000 for the term of the agreement.

Rates

<table>
<thead>
<tr>
<th>Staff</th>
<th>Hourly Rate</th>
</tr>
</thead>
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<td>John Dalessi</td>
<td>$325</td>
</tr>
<tr>
<td>Kirby Dusel</td>
<td>$315</td>
</tr>
<tr>
<td>Brian Goldstein</td>
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<td>Dona Stein</td>
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<td>Alden Walden</td>
<td>$200</td>
</tr>
<tr>
<td>James Parker</td>
<td>$140</td>
</tr>
</tbody>
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Invoices and Payment

Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked (Task 2 only), task(s) for which work was performed). Payment shall be made by the Authority to Consultant within thirty (30) days after receipt of a proper invoice.

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

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

1. **Workers' Compensation:**
   Statutory coverage as required by the State of California.

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

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

4. **Professional Liability**
   Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least $1,000,000.
Exhibit E
Confidentiality Requirements

Subject to the terms and conditions of the Agreement, current proprietary and confidential information of Authority regarding customers of Authority (“Authority Customers”) and/or other confidential information (collectively “Confidential Information”) may be disclosed to Consultant from time to time in connection herewith solely for the purposes set forth in the Agreement. Such disclosure is subject to the following legal continuing representations and warranties by Consultant:

1. The Confidential Information disclosed to Consultant in connection herewith may include, without limitation, the following information about Authority Customers: (a) names; (b) addresses; (c) telephone numbers and email addresses; (d) service agreement numbers and account numbers; (e) meter and other identification numbers; (f) Authority-designated account numbers; (g) electricity and gas usage (including monthly usage, monthly maximum demand, electrical or gas consumption, HP load, and other data detailing electricity or gas needs and patterns of usage); (h) billing information (including rate schedule, baseline zone, CARE participation, end use code (heat source) service voltage, medical baseline, meter cycle, bill cycle, balanced payment plan and other plans); (i) payment / deposit status; (j) number of units; and (k) other similar information specific to Authority Customers individually or in the aggregate. Confidential Information shall also include specifically any copies, drafts, revisions, analyses, summaries, extracts, memoranda, reports and other materials prepared by Consultant or its representatives that are derived from or based on Confidential Information disclosed by Authority, regardless of the form of media in which it is prepared, recorded or retained.

2. Except for electric and gas usage information provided to Consultant pursuant to this Agreement, Confidential Information does not include information that Consultant proves (a) was properly in the possession of Consultant at the time of disclosure; (b) is or becomes publicly known through no fault of Consultant, its employees or representatives; or (c) was independently developed by Consultant, its employees or representatives without access to any Confidential Information.

3. From the Effective Date, no portion of the Confidential Information may be disclosed, disseminated or appropriated by Consultant, or used for any purpose other than the purposes set forth in the Agreement.

4. Consultant shall, at all times and in perpetuity, keep the Confidential Information in the strictest confidence and shall take all reasonable measures to prevent unauthorized or improper disclosure or use of Confidential Information. Consultant shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure and prohibits the use of the data for purposes not set forth in the Agreement. Specifically, Consultant shall restrict access to Confidential Information, and to materials prepared in connection therewith, to those employees or representatives of Consultant who have a “need to know” such Confidential Information in the course of
their duties with respect to the Consultant program and who agree to be bound by the nondisclosure and confidentiality obligations of this Agreement. Prior to disclosing any Confidential Information to its employees or representatives, Consultant shall require such employees or representatives to whom Confidential Information is to be disclosed to review this Agreement and to agree to be bound by the terms of this Agreement. Consultant shall not disclose Confidential Information or otherwise make it available, in any form or manner, to any other person or entity that is not Consultant’s employee or representative (a “Third Party”), except where that Third Party has separately entered into a nondisclosure agreement with Authority.

5. Notwithstanding the above, Consultant may disclose Confidential Information to the extent required by an order, subpoena, or lawful process requiring the disclosure of such Confidential Information issued by a court or other governmental authority of competent jurisdiction, provided that Consultant notifies Authority immediately upon receipt thereof to allow Authority to seek protective treatment for such Confidential Information.

6. Consultant shall immediately notify Authority if it reasonably believes that there has been unauthorized access to the Confidential Information by a non-authorized person that could reasonably result in the use, disclosure, or theft of the Confidential Information.

7. It shall be considered a material breach of this Agreement if Consultant engages in a pattern or practice of accessing, storing, using, or disclosing the Confidential Information in violation of the contractual obligations described herein. Consultant understands that if Authority finds that Consultant is engaged in a pattern or practice of accessing, storing, using, or disclosing Confidential Information in violation of this Agreement Authority shall promptly cease all disclosures of Confidential Information to Consultant. Consultant further understands that if Authority receives a customer complaint about Consultant’s misuse of data or other violation of the Disclosure Provisions, Authority shall promptly cease disclosing that customer’s information to Consultant and shall notify the California Public Utilities Commission of the complaint.

8. Consultant shall be liable for the actions of, or any disclosure or use by, its employees or representatives contrary to this Agreement; however, such liability shall not limit or prevent any actions by Authority directly against such employees or representatives for improper disclosure and/or use. In no event shall Consultant or its employees or representatives take any actions related to Confidential Information that are inconsistent with holding Confidential Information in strict confidence. Consultant shall immediately notify Authority in writing if it becomes aware of the possibility of any misuse or misappropriation of the Confidential Information by Consultant or any of its employees or representatives. However, nothing in this Agreement shall obligate the Authority to monitor or enforce the Consultant’s compliance with the terms of this Agreement.

9. Consultant shall comply with the consumer protections concerning subsequent disclosure and use set forth in Attachment B to California Public Utilities Commission (CPUC) Decision No. 12-08-045.
10. In addition to any other requirements set forth in the Agreement, within ten (10) business days of receipt of Authority’s written request, and at Authority’s option, Consultant will either return to Authority all tangible Confidential Information, including but not limited to all electronic files, documentation, notes, plans, drawings, and copies thereof, or will provide Authority with written certification that all such tangible Confidential Information of Authority has been destroyed.

11. Consultant acknowledges that disclosure or misappropriation of any Confidential Information could cause irreparable harm to Authority and/or Authority Customers, the amount of which may be difficult to assess. Accordingly, Consultant hereby confirms that the Authority shall be entitled to apply to a court of competent jurisdiction or the California Public Utilities Commission for an injunction, specific performance or such other relief (without posting bond) as may be appropriate in the event of improper disclosure or misuse of its Confidential Information by Consultant or its employees or representatives. Such right shall, however, be construed to be in addition to any other remedies available to the Authority, in law or equity.

12. In addition to all other remedies, Consultant shall indemnify and hold harmless Authority, its officers, employees, or agents from and against claims, actions, suits, liabilities, damages, losses, expenses and costs (including reasonable attorneys’ fees, costs and disbursements) attributable to actions or non-actions of Consultant and/or its employees and/or its representatives in connection with the use or disclosure of Confidential Information.

13. When Consultant fully performs the purposes set forth in the Agreement, or if at any time Consultant ceases performance or Authority requires Consultant cease performance of the purposes set forth in the Agreement, Consultant shall promptly return or destroy (with written notice to Authority itemizing the materials destroyed) all Confidential Information then in its possession at the direction of Authority. Notwithstanding the foregoing, the nondisclosure obligations of this Agreement shall survive any termination of this Agreement.
Staff Report – Item 1i

**Item 1i:** Adopt Resolution Amending SVCE Conflict of Interest Code to Add Power Analyst Position in the List of Designated Positions for Filing

From: Girish Balachandran, CEO

Prepared by: Andrea Pizano, Board Clerk/Executive Assistant

Date: 10/14/2020

**RECOMMENDATION**

Adopt Resolution 2020-28 amending the SVCE conflict of interest code to add the Power Analyst position in the list of designated position for filing.

**BACKGROUND**

Shortly after the formation of SVCEA, the Board of Directors adopted a conflict of interest code as required by the Political Reform Act, commencing at Government Code Section 81000. The code lists the positions within the Authority that are required to file statements of economic interests (Form 700). As a joint powers authority with members located entirely within Santa Clara County, the County Board of Supervisors is the conflict code reviewing body that is required to approve all changes to the conflict of interest code. County Counsel has advised that when positions are added or removed from the conflict code, a new resolution must be adopted approving a new conflict of interest code with the added or removed position(s).

At the September 9, 2020 Board meeting, the Board of Directors approved the addition of a Power Analyst position by adopting the recommended Fiscal Year 2020-21 Operating Budget and Resolution 2020-26 amending the positions chart, job classifications, and salary schedule.

**ANALYSIS & DISCUSSION**

SVCE staff and general counsel have identified the newly approved Power Analyst position as needing to report financial interests based on the decisions he/she will be making. At this time, all SVCE power supply employees are required to file.

In accordance with the requirements of the Political Reform Act and the County of Santa Clara, a new conflict of interest code must be adopted by resolution which includes the newly created or identified position as well as any changes to the existing Conflict of Interest Code. The attached resolution amends Appendix A to SVCE’s code to reflect the addition of “Power Analyst”.

**STRATEGIC PLAN**

Not applicable.

**ALTERNATIVES**

None.

**FISCAL IMPACT**

There is no fiscal impact as a result of adding the position to SVCE’s Conflict of Interest Code.

**ATTACHMENT**

1. Resolution 2020-28 Amending the Authority’s Conflict of Interest Code to Add Power Analyst Position
RESOLUTION NO. 2020-28

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AMENDING THE AUTHORITY’S CONFLICT OF INTEREST CODE TO ADD POWER ANALYST POSITION

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, the Political Reform Act, Government Code Section 81000, et seq., (the "Political Reform Act") requires each public agency in California, including the Authority, to adopt and promulgate a conflict of interest code; and

WHEREAS, Government Code Section 87306 requires each public agency in California to amend its conflict of interest code when change is necessitated by a change in circumstances, including the creation of new positions and relevant changes to the duties assigned to existing positions; and

WHEREAS, the Board of Directors of the Authority has adopted a conflict of interest code, and has amended this code as appropriate due to changed circumstances, with the most recent code adopted by Resolution 2020-24; and

WHEREAS, the Board of Directors, after consultation with the County of Santa Clara as its code reviewing body, desires to amend the list of designated positions in Appendix A by adding the position of Power Analyst.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Authority rescinds Resolution No. 2020-24 and adopts the following attached Conflict of Interest Code including its Appendices of Designated Positions and Disclosure Categories.

BE IT FURTHER RESOLVED that The Board of Directors of the Authority hereby directs the Secretary of the Board to coordinate the preparation of a revised Conflict of Interest Code in succeeding even-numbered years following notice and instructions from the County of Santa Clara as the code-reviewing body for the Authority, in accordance with the requirements of Government Code Sections 87306 and 87306.5. Future revisions to the Conflict of Interest Code should reflect changes in employee or official designations. If no revisions to the Code are required, the Authority shall submit a response as indicated in the instructions provided by the County of Santa Clara no later than October 1st of the same year, stating that amendments to the Authority’s Conflict of Interest Code are not required.
ADOPTED AND APPROVED this 14th day of October 2020, by the following vote:

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Chair

ATTEST:

Clerk
SILICON VALLEY CLEAN ENERGY AUTHORITY
CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code § 81000, et seq., hereinafter referred to as the Act) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission (“FPPC”) has adopted a regulation (2 California Code of Regulations § 18730) which contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, the standard code may be amended by the FPPC to conform to amendments in the Act. Therefore, the terms of 2 California Code of Regulations § 18730 and any amendments to it duly adopted by the FPPC are hereby incorporated by reference. This regulation and the text here designating positions and establishing disclosure categories shall constitute the conflict of interest code of the Silicon Valley Clean Energy Authority (“Authority”).


Individuals holding a designated position shall file their Statements of Economic Interests with the Authority’s Filing Official, which will make the Statements available for public inspection and reproduction subject to Government Code section 81008. If Statements are received in signed paper format, the Authority’s Filing Official shall make and retain a copy and forward the original Statements to the Filing Officer, the County of Santa Clara Clerk of the Board of Supervisors. If Statements are electronically filed using the County of Santa Clara’s Form 700 e-filing system, both the Authority’s Filing Official and the County of Santa Clara Clerk of the Board of Supervisors will receive access to the e-filed Statements simultaneously.
### DESIGNATED POSITIONS

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<th>Designated Position</th>
<th>Assigned Disclosure Category</th>
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<td>Member of Board of Directors</td>
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<tr>
<td>Alternate Member of Board of Directors</td>
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<tr>
<td>Chief Executive Officer</td>
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<tr>
<td>Chief Financial Officer &amp; Director of Administrative Services</td>
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<tr>
<td>Finance and Administration Committee Member</td>
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<td>General Counsel</td>
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<td>Account Services Manager</td>
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<td>Administrative Services Manager</td>
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<td>Communications Manager</td>
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<tr>
<td>Director of Account Services &amp; Community Relations</td>
<td>2</td>
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<tr>
<td>Director of Decarbonization &amp; Grid Innovation Programs</td>
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<td>Director of Power Resources</td>
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<tr>
<td>Director of Regulatory &amp; Legislative Policy</td>
<td>2</td>
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<tr>
<td>Management Analyst</td>
<td>2</td>
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<tr>
<td>Manager of Decarbonization &amp; Grid Innovation Programs</td>
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<tr>
<td>Manager of Regulatory &amp; Legislative Affairs</td>
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<tr>
<td>Senior Regulatory Analyst</td>
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<tr>
<td><strong>Power Analyst</strong></td>
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<tr>
<td>Power Resources Manager</td>
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<tr>
<td>Power Resources Planner</td>
<td>1</td>
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</tbody>
</table>
Power Settlements & Compliance Analyst 1
Principal Power Analyst 1
RATES MANAGER 2
Senior Rates Analyst 2
Consultant 3
Newly Created Position *

* Newly Created Position

A newly created position that makes or participates in the making of governmental decisions that may foreseeably have a material effect on any financial interest of the position-holder, and which specific position title is not yet listed in the Authority’s conflict of interest code is included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitation: The Chief Executive Officer of the Authority may determine in writing that a particular newly created position, although a “designated position,” is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the broadest disclosure requirements, but instead must comply with more tailored disclosure requirements specific to that newly created position. Such written determination shall include a description of the newly created position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

As soon as the Authority has a newly created position that must file Statements of Economic Interests, the Authority’s Filing Official shall contact the County of Santa Clara Clerk of the Board of Supervisors Form 700 division to notify it of the new position title to be added in the County’s electronic Form 700 record management system, known as eDisclosure. Upon this notification, the Clerk’s office shall enter the actual position title of the newly created position into eDisclosure and the Authority’s Filing Official shall ensure that the name of any individual(s) holding the newly created position is entered under that position title in eDisclosure.

Additionally, within 90 days of the creation of a newly created position that must file Statements of Economic Interests, the Authority shall update this conflict-of-interest code to add the actual position title in its list of designated positions, and submit the amended conflict of interest code to the County of Santa Clara Office of the County Counsel for code-reviewing body approval by the County Board of Supervisors. (Gov. Code Section 87306.)
Designated positions must report financial interests in accordance with the assigned disclosure categories.

**Category 1:** Persons in this category shall disclose:

(a) investments and business positions in business entities, and income (including gifts, loans, and travel payments) from sources that contract with the Authority, or that provide, plan to provide, or have provided during the previous two years, facilities, goods, technology, equipment, vehicles, machinery, or services, including training or consulting services, of the type utilized by the Authority; and

(b) all interests in real property located: in whole or in part within the jurisdiction of the Silicon Valley Clean Energy Authority, or within two miles of the borders of any of the parties to the Joint Powers Agreement for the Authority, or within two miles of any land owned or used by the Authority.

**Category 2:** Persons in this category shall disclose investments and business positions in business entities, and income (including gifts, loans, and travel payments) from sources that contract with the Authority, or that provide, plan to provide, or have provided during the previous two years, facilities, goods, technology, equipment, vehicles, machinery, or services, including training or consulting services, of the type utilized by the Authority.

**Category 3:** Each Consultant, as defined for purposes of the Political Reform Act, shall disclose pursuant to the broadest disclosure category in the Authority’s conflict of interest code subject to the following limitation: The Chief Executive Officer of the Authority may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to comply fully with the disclosure requirements of the broadest disclosure category, but instead must comply with more tailored disclosure requirements specific to that consultant. Such a written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s written determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.
**Staff Report – Item 1j**

**Item 1j:** Adopt Resolution to Authorize the Chief Executive Officer to Amend Credit and Collateral Requirements in Approved Master Agreements to Incorporate the Investment Grade Credit Rating Provided the Amendments Are Favorable to the Authority

From: Girish Balachandran, CEO

Prepared by: Monica Padilla, Director of Power Resources
Ian Williams, Power Resources Manager

Date: 10/14/2020

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**RECOMMENDATION**

Adopt Resolution No. 2020-29 to authorize the Chief Executive Officer ("CEO") to:

1) Amend certain credit terms contained within Approved Master Agreements to the benefit of Silicon Valley Clean Energy Authority subject to attorney review and approval of all amendments.

**BACKGROUND**

Silicon Valley Clean Energy Authority ("SVCE") transacts for the majority of its power supply arrangements under the industry-standard Edison Electric Institute ("EEI") master power purchase and sale agreement ("Master Agreement"). The Master Agreement is a widely used standard form agreement containing general terms and conditions for electric power transactions. The SVCE Board of Directors ("Board") by resolution or minute action, has previously approved all Master Agreements and amendments thereto (once approved by the Board, an "Approved Master Agreement") with multiple counterparties. The Article 8 section of the Master Agreement defines the credit and collateral requirements and the Collateral Annex sets forth detailed procedures under which each party will provide security under Article 8 including collateral thresholds.

SVCE received its investment grade rating of Baa2 from Moody’s Investors Service on July 15, 2020 and the investment grade rating is an independent assessment of SVCE’s financial strength over the long term and acknowledges the agency’s stability.

With its new investment grade rating, SVCE is eligible to negotiate new credit terms to the benefit of SVCE which may reduce SVCE’s cost of transacting and need to post collateral under certain conditions.

**ANALYSIS & DISCUSSION**

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

Staff requests that the Board adopt the attached resolution authorizing the CEO to amend credit related provisions including but not limited to Article 8 Credit and Collateral Requirements and or the Collateral Annex in Approved Master Agreements to incorporate the investment grade rating provided the amendments are
favorable to the agency. These amendments will help SVCE improve its collateral thresholds, increase cash liquidity and likely reduce procurement costs.

**STRATEGIC PLAN**
Amendments to the credit terms of the Approved Master Agreements will better enable Staff to meet its power supply procurement and cost management goals as provided for in SVCE’s Strategic Plan, Power Supply Goals 9, 10 and 11.

**ALTERNATIVES**
Alternatives to delegating the authority to the CEO to make the necessary amendments to the Approved Master Agreements include having staff return to the Board for approval of amendments to the Approved Master Agreements. This alternative is inefficient and may delay implementation of favorable credit terms thus resulting in potentially higher procurement costs and reduced liquidity.

**FISCAL IMPACT**
Adoption of the recommended resolution likely reduces procurement costs and provides the agency with more liquidity.

**ATTACHMENTS**
1. Resolution 2020-29 of the Board of Directors of Silicon Valley Clean Energy Authority to Authorize the Chief Executive Officer to Amend Credit and Collateral Requirements in Approved Master Agreements to Incorporate the Investment Grade Rating Provided the Amendments Are Favorable to the Authority.
RESOLUTION NO. 2020-29

RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO AMEND CREDIT AND COLLATERAL REQUIREMENTS IN APPROVED MASTER AGREEMENTS TO INCORPORATE THE INVESTMENT GRADE CREDIT RATING PROVIDED THE AMENDMENTS ARE FAVORABLE TO THE AUTHORITY

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

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

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

WHEREAS, the EEI Master Agreement (“Master Agreement”) is an industry standard framework agreement used for the purchase of Product that establishes certain terms and conditions for the contractual relationship between an energy purchaser and energy supplier, including credit and collateral requirements;

WHEREAS, SVCE has entered in eighteen different Master Agreements that contain credit and collateral requirements that do not reflect SVCE’s current credit rating:

WHEREAS, SVCE received its investment grade rating of Baa2 from Moody’s Investors Service on July 15, 2020 and the investment grade rating is an independent assessment of SVCE’s financial strength over the long term and acknowledges SVCE’s financial stability.

WHEREAS, SVCE intends to seek additional credit rating(s) in the future to further support its financial standing.

WHEREAS, Article 8 of the Master Agreement defines the credit and collateral requirements and the Collateral Annex sets forth detailed procedures under which each party will provide credit support and are directly tied to each party’s credit rating status.

WHEREAS, SVCE with its new investment grade rating is eligible to negotiate new terms in its Article 8 and/or Collateral Annex which can improve its collateral thresholds and reduce the cost of each transaction.

WHEREAS, SVCE desires to amend the credit and collateral requirements in approved Master Agreements to incorporate the agency’s recent investment grade rating to reduce the cost of these transactions.

Attachment 1
Item 1j
NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to:

1. Negotiate and execute favorable amendments to Board approved Master Agreements with respect to credit and collateral requirements, including but not limited to such requirements in Article 8 and the Collateral Annex subject to review and approval by SVCE legal counsel.

ADOPTED AND APPROVED this 14th day of October 2020, by the following vote:

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___________________________
Chair

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Secretary
Staff Report – Item 1k

Item 1k: Authorize the Chief Executive Officer to Execute Agreement with Buro Happold for Community Energy Resilience Analysis, Planning, and Support Services

From: Girish Balachandran, CEO

Prepared by: Aimee Bailey, Director of Decarbonization and Grid Innovation
Zoe Elizabeth, Sr. Energy Consultant

Date: 10/14/2020

RECOMMENDATION
Authorize the CEO to execute the attached agreement (not to exceed $1,133,333) with Buro Happold with non-substantive changes approved by the CEO, for community energy resilience analysis, planning, and support services for Silicon Valley Clean Energy (SVCE) and its member agencies.

BACKGROUND
At the June 2020 meeting, the Board approved $10M in Customer Relief and Community Resilience (CRCR) programs in response to the public health and economic impacts from Covid-19 on our community. The purpose of these funds is to support economic stimulus, job creation, and enable local governments to invest in long-term resilience during a time of budget cutbacks. Of the $10M CRCR funds, $5M was approved specifically for a community resilience program. This investment aims to help our member communities plan for and protect against the increasing impacts of power outages caused by high heat events, wildfires, and PG&E’s related Power Safety Shut-offs.

As approved by the Board, the program includes $1M in regional and jurisdiction-level planning activities and $4M in capital project grants for our member jurisdictions. This program was combined with the "Resilience at Community Facilities" program and $150,000 in funds approved at the Feb 2020 Board Meeting, bringing the total funds directed towards resilience planning to $1,150,000. Of this, $350,000 will support regional planning and $800,000 for jurisdiction level planning grants. Because member agencies can choose to direct their planning grants toward capital projects instead, the total spent on this contract could ultimately be much less than the maximum of $1,133,333. The table below depicts a breakdown of the total program budget.

| Community Energy Resilience Program Budget Breakdown |
|-----------------------------------------------|---------|
| Regional Planning                              | $350,000|
| CRCR Program Budget                            | $200,000|
| Critical Community Facilities Budget           | $150,000|
| Jurisdiction Planning                          | $800,000|
| Capital Projects Grants                        | **$4,000,000**|
| Total                                         | **$5,000,000**|

*Jurisdictions may choose to direct planning budget to capital projects budget
**Budget includes funds used for EM&V, subtracting EM&V funds from the total results in a budget for this contract of $1,133,333
This staff report and contract focus on the regional and jurisdiction planning components of the community resilience program. The community energy analysis, planning and support project will leverage SVCE’s data analytics platform and robust stakeholder engagement to develop in a regional energy resilience roadmap, a site analysis and decision-support tool and educational resources for member jurisdiction staff. In addition, each jurisdiction will be able use their planning grant allocation to work directly with the consultant team to conduct tailored jurisdiction planning, communication and/or coordination activities. Collectively these resources will help build energy resilience across SVCE’s service territory.

The scope of work for this project includes four tasks.

**Task A. Develop Regional Energy Resilience Plan**
The purpose of this task is to develop a regional plan for energy resilience that will guide SVCE, our member agencies, and other stakeholders in our individual and collective actions to improve regional energy resilience. The plan will be grounded in the best available information of regional vulnerability, an understanding of local government practices and an assessment of existing and emerging solutions. The result will be a set of recommendations that are both transformative and actionable.

**Task B Define, Identify, and Assess Critical Community Facilities**
The purpose of this task is for SVCE staff and local stakeholders (member agencies, community organizations, etc.) to work collaboratively to develop a definition for Critical Community Facilities that encompasses both essential sites (such as fire stations, hospitals, emergency response centers) and the broader range of sites and services that are important to minimizing negative economic and health impacts of power outages (e.g. food distribution centers, skilled nursing facilities, small businesses). The Consultant will then 1) conduct a geospatial analysis to identify these sites across SVCE territory and 2) utilize SVCE’s energy usage and other relevant data to assess which sites are most suited to which technology solutions (building off the technology solutions identified in Task A) and 3) develop a decision-support tool to guide SVCE's future work and on-going resilience activities in the region.

**Task C Provide Education and Technical Guidance Resources**
The purpose of this task is to build the capacity of our local jurisdictions to improve energy resilience by providing education and developing written technical guidance. The final resources will engage multiple audiences and include a diversity of formats such as online trainings and written guidebooks.

**Task D Member Agency Resilience Planning, Feasibility Assessment and Communication Projects**
Each member agency will have the option to devote a portion of their Community Resilience grant budget to an energy resilience planning, communication, coordination, and/or engagement project. Member agencies may submit a planning project application to SVCE. If SVCE approves the project application, SVCE and the member agency will work with the Consultant team to finalize the scope of work and make sure the budget and timeline fit the parameters of the project description. Examples of member agency projects include:

- A detailed needs assessment to prioritize potential energy resilience projects.
- A detailed site assessment for a solar + storage or other energy resilience project.
- A communication and engagement plan to guide municipal response to power outages.
- The energy resilience component of a climate resilience or adaptation plan.
- Support for the contracting process of an identified energy resilience project.

**ANALYSIS & DISCUSSION**
SVCE carried out a competitive solicitation process to select Buro Happold as the consultant for this work. Staff issued a request for proposals (RFP) on July 23rd, which closed on August 24th. The RFP garnered a strong response, with thirteen qualified proposals submitted. SVCE conducted in-person interviews with five finalist teams on September 15th and 16th. The seven-person evaluation panel for the interviews consisted of three SVCE staff members and two representatives from our member agencies. The evaluation panel independently scored each proposal using the criteria emphasizing the respondents experience and proposed approach. Staff
then scored each proposal against three additional criteria: cost, references, and acceptance of standard contract terms and conditions. The scores were tallied and the proposal submitted by Buro Happold was selected as the top finalist.

Buro Happold is a leader in the field of climate, resilience, and sustainability planning with a strong commitment to social equity. They have deep building design expertise which will help ensure their recommendations are grounded in practical experience. Their project partner Alternative Energy Systems Consulting has robust energy data modeling expertise, a breadth of knowledge on resilience technologies, and a successful track record in developing a synergistic energy resilience program for PG&E.

As subject matter experts with a combination of technical energy analysis, building design, and urban planning expertise, the Buro Happold team is well positioned to guide the development of SVCE’s community energy resilience analysis, planning, and support activities. Their involvement in this process will help ensure that the SVCE communities are able to incorporate the best information available and leverage leading edge strategies to improve energy resilience. The project is scheduled to begin in October and to conclude in December 2021.

The contract is structured as a Master Service’s Agreement. To minimize the administrative burden to our member agencies the consultant will deliver both regional planning services and the jurisdiction level planning activities. Each member agency has a not-to-exceed budget and task order within Task D. If member agencies choose to direct their planning funds towards capital projects, the total spent on this contract will be much below the full not-to-exceed amount of $1,133,333 and could be as low as $350,000 if no jurisdictions choose to conduct tailored planning activities.

STRATEGIC PLAN
The proposal supports 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.

FISCAL IMPACT
The staff proposal has no incremental fiscal impact. In Feb 2020 and June 2020, the Board approved $150,000 and $5M, respectively, for community resilience. Authorizing execution of the agreement with Buro Happold for community energy resilience analysis, planning and support services for an amount not to exceed $1,133,333 is within the Board-approved funding level.

ATTACHMENTS
AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND

BURO HAPPOLD CONSULTING ENGINEERS, Inc.

FOR

CONSULTING SERVICES

THIS AGREEMENT (the “Agreement”), is entered into this . day of ENTER MONTH, ENTER YEAR. (“Effective Date”), by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency, ("Authority"), and Buro Happold Consulting Engineers, Inc., a California Corporation, having offices at 800 Wilshire Blvd., Suite 1600, Los Angeles, CA 90017 (hereinafter referred to as "Consultant") (collectively referred to as the “Parties” and individually as a “Party”).

RECITALS:

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

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

C. Authority and Consultant desire to enter into an agreement for consulting services in connection with community energy resilience analysis and planning and support services for the Authority and its member jurisdictions, upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. TERM

The term of this Agreement shall commence on the Effective Date and shall terminate on September 30, 2021, unless terminated earlier as set forth herein.
2. **SERVICES TO BE PERFORMED**

Consultant shall perform each and every service set forth in Exhibit "A" – Consultant’s Scope of Services (the “Services”) pursuant to the schedule of performance set forth in Exhibit "B", which may be amended from time to time, both of which are attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT**

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed One Million Three Hundred Thirty-Three Thousand Dollars ($1,333,333.00) based on the rates and terms set forth in Exhibit "C," which is attached hereto and incorporated herein by this reference.

4. **TIME TO PERFORM**

Consultant and Authority agree that the Consultant shall adhere to the performance schedule set forth in Exhibit B, as the Parties acknowledge that the schedule is of importance to the orderly and sequential progress of the Project. Consultant shall not take any action to delay the performance of its Services without just cause and SHALL comply with the applicable Standard of Care; and shall promptly provide the Authority with notice of any delay or potential delay.

5. **STANDARD OF CARE**

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards of knowledgeable professionals in the San Francisco Bay Area providing the same or similar consulting services, under similar circumstances and in a manner reasonably satisfactory to Authority and agrees that all services shall be performed by qualified and experienced personnel (“Standard of Care”). Consultant shall be responsible to Authority for any errors or omissions in the performance of work pursuant to this Agreement. Should any errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to Authority by redoing the professional work and/or revising the work product(s) called for in the Scope of Services to eliminate the errors. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by Authority, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, Authority may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.
6. **INDEPENDENT PARTIES**

Authority and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Authority to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from Authority to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant. Consultant shall indemnify and hold harmless Authority and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of Authority officials, from any liability, damages, claims, costs and expenses of any nature to the extent arising from Consultant’s personnel practices. Authority shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to Authority from Consultant as a result of Consultant’s failure to promptly pay to Authority any reimbursement or indemnification arising under this section.

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

Authority is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to a Joint Powers Agreement dated March 31, 2016, and is a public entity separate from its constituent members. Authority shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Authority's constituent members in connection with this Agreement. In addition, that no officer, director, shareholder, member, partner, principal, founder, employee or agent of either Party shall not have any personal liability arising out of, or relating to, this Agreement, the Project, or the Scope of Services.

8. **NON-DISCRIMINATION**

In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law.

9. **HOLD HARMLESS AND INDEMNIFICATION**

General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend (except on Consultant’s professional liability policy), hold harmless and indemnify Authority and its elected officials, officers, attorneys, agents, employees, designated
volunteers, successors, assigns and those Authority agents serving as independent contractors in the role of Authority officials (collectively “Indemnitees”), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively “Liabilities”), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees’ active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees as determined by court decision or by agreement of the Parties. Consultant shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees’ choice and shall pay all costs and expenses, including all attorneys’ fees and experts’ costs actually incurred in connection with such defense. Consultant shall reimburse the Indemnities for any and all legal expenses and costs incurred by Indemnities in connection therewith.

Consultant’s indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

10. INSURANCE

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

8. Subrogation Waiver. Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.
C. Failure to secure or maintain insurance. If Consultant at any time during the term hereof should fail to secure or maintain the foregoing insurance, Authority shall be permitted to obtain such insurance in the Consultant’s name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

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

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

F. No Limitation of Liability. Authority makes no representation to Consultant that the insurance requirements set forth in this Agreement shall be sufficient to cover any claims, costs, actions, damages or the like that arise out of, or relate to, this Agreement, the Services or Consultant’s obligations set forth in this Agreement. Accordingly, in no event shall the insurance requirements set forth in this Agreement be construed as a limitation of liabilities’ and Consultant shall be responsible for the full and actual amount of damages, as determined by a court of competent jurisdiction, irrespective of the amount of insurance proceeds that may be available at the time of such settlement or judgment.

11. CONFLICT OF INTEREST

Consultant warrants that it, its officers, employees, associates and subcontractors, presently have no interest, and will not acquire any interest, direct or indirect, financial or otherwise, that would conflict in any way with the performance of this Agreement, and that it, its officers, employees, associates and subcontractors, will not employ any person having such an interest. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant’s services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the Authority Representative’s prior written approval, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially
similar to this section into any subcontract that Consultant executes in connection with the performance of this Agreement. Consultant understands that it may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff Authority, as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. PROHIBITION AGAINST TRANSFEES

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

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

13. SUBCONTRACTOR APPROVAL

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

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

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

14. REPORTS

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

8. All Reports prepared by Consultant may be used by Authority in execution or implementation of: (1) The original project for which Consultant was hired; (2) Completion of the original project by others; (3) Subsequent additions to the original project; and/or (4) Other Authority projects as Authority deems appropriate in its sole discretion. Notwithstanding the forgoing, the Authority acknowledges and agrees that any re-use, modifications, alterations, amendments or the like of all Reports or other documents created for the Project that are made and/or implemented at the Project by others, including subsequent additions to the Project, and any use by the Authority for on other Projects without further retaining Consultant shall be at the sole risk of the Authority and without any liability to Consultant. In the event that the Authority re-uses the Reports or other work product and retains a superseding consultant, then the Authority shall cause the superseding consultant to remove any and all marks, including but not limited to, title blocks, signatures and/or stamps which identify Consultant and replace same with the superseding consultants information.

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

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

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

F. Authority shall be the owner of and shall be entitled upon request to immediate possession of accurate reproducible copies of Reports or other pertinent data and information gathered or computed by Consultant prior to termination of this Agreement or upon completion of the work pursuant to this Agreement.

15. RECORDS

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

16. PARTY REPRESENTATIVES

The Chief Executive Officer (“Authority Representative”) shall represent the Authority in all matters pertaining to the services to be performed under this Agreement. Consultant’s representative shall be _______________ (“Consultant Representative”) shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. INFORMATION AND DOCUMENTS

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively “Data”) developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by Authority. Authority shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the Authority Representative or unless requested in writing by the Authority Attorney,
voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the Authority. Response to a subpoena or court order shall not be considered “voluntary,” provided Consultant gives Authority notice of such court order or subpoena.

B. Consultant shall promptly notify Authority should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the Authority. Authority may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with Authority and to provide Authority with the opportunity to review any response to discovery requests provided by Consultant. However, Authority’s right to review any such response does not imply or mean the right by Authority to control, direct or rewrite the response.

C. In the event Authority gives Consultant written notice of a “litigation hold”, then as to all data identified in such notice, Consultant shall, at no additional cost to Authority, isolate and preserve all such data pending receipt of further direction from the Authority.

D. Consultant’s covenants under this section shall survive the expiration or termination of this Agreement.

18. NOTICES

Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant’s and Authority’s regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

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

TO CONSULTANT:
Buro Happold Consulting Engineers, Inc.
800 Wilshire Blvd. Suite 1600
Los Angeles, CA 90017
Attention:

19. TERMINATION

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

In the event of Authority’s termination of this Agreement due to no fault or failure of performance by Consultant, Authority shall pay Consultant for services satisfactorily performed up to the effective date of termination. Upon termination, Consultant shall promptly deliver to the Authority any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of Authority. Consultant shall have no other claim against Authority by reason of such termination, including any claim for compensation.

In the event that Authority defaults on its obligations set forth in this Agreement, including but not limited to, payments of all undisputed amounts due to Consultant, Consultant shall be entitled to suspend its Services, upon fifteen (15) days’ prior, written notice to Authority without any liability resulting from such suspension. If Consultant elects to suspend its Services pursuant to this Paragraph, it shall re-commence its Services promptly upon payment of all outstanding amounts and shall be entitled to an equitable adjustment to the schedule of performance.
20. COMPLIANCE WITH LAWS

Consultant shall keep itself informed of all applicable federal, state and local laws, ordinances, codes, regulations and requirements which may, in any manner, affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. Consultant shall, at all times, observe and comply with all such laws and regulations. Authority, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

Consultant represents and agrees that all personnel engaged by Consultant in performing services are and shall be fully qualified and are authorized or permitted under state and local law to perform such services. Consultant represents and warrants to Authority that it has all licenses, registrations, permits, certificates, qualifications, and approvals required by law to provide the services and work required to perform services under this Agreement, including a business license. Consultant further represents and warrants that it shall keep in effect all such licenses, permits, and other approvals during the term of this Agreement.

21. CONFLICT OF LAW

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

22. ADVERTISEMENT

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Authority to do otherwise. When appropriate and in the Authority’s sole discretion, Authority shall make all reasonable efforts to fully and fairly credit Consultant in any public statements, media release, press releases, advertising or the like which relates to Consultant’s Scope of Services.

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

24. INTEGRATED CONTRACT

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

25. AUTHORITY

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

26. INSERTED PROVISIONS

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

27. CAPTIONS AND TERMS

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

28. AUTHORITY’S RIGHTS TO EMPLOY OTHER CONSULTANTS

Authority reserves the right to employ other consultants in connection with the subject matter of the Scope of Services. Authority shall cause all of its other consultants to cooperate and coordinate its services with those of Consultant, as necessary and as applicable to Consultant’s Scope of Services.
Consultant shall be entitled to rely on the accuracy and completeness of the work product of Authority’s other consultants without further inquiry. Notwithstanding, Consultant shall notify Authority if, in Consultant’s professional opinion, the work product of Authority’s other consultants contains any errors, omissions or deficiencies, as is consistent with the Standard of Care.

29.  EXHIBITS

The Exhibits referenced in this Agreement are attached hereto and incorporated herein by this reference as though more fully set forth in full in the Agreement. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant’s proposal, the provisions of this Agreement shall control.

30.  FORCE MAJEURE

Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in Authority’s sole discretion, such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental controls, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, epidemic/pandemic or other causes beyond Consultant’s reasonable control and not due to any act by Consultant.

31.  FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of Authority from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant’s work or services. Acceptance of payment shall be any negotiation of Authority’s check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by Authority shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for any negligent acts, errors or omissions in the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by Authority for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

32.  INTENTIONALLY OMITTED.
33. SEVERABILITY

If any provision in this Agreement is held by a court of competent jurisdiction to be illegal, invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

34. SUCCESSORS AND ASSIGNS

The terms and conditions of this Agreement shall be binding on the successors and assigns of the Parties to this Agreement.

35. NO THIRD PARTY BENEFICIARIES INTENDED

This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

36. COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.

37. DRAFTING PARTY

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.
38. LIMITATION OF LIABILITY.

Authority and Consultant hereby waive any and all claims for consequential, special, or incidental damages, including, but not limited to, loss of use, profits, revenue, business opportunity, or production, for claims, disputes, or other matters arising out of or relating to this Agreement or the Project, irrespective of the theory of liability. This mutual waiver shall survive termination or expiration of this Agreement, except to the extent that such damages may be recoverable pursuant to Consultant’s insurance policies.

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

RECOMMENDED FOR APPROVAL

______________________________

Joyce Engebretsen
US Director of Operations
Buro Happold Consulting Engineers, Inc.

By: __________________________

Draft Agreement with Buro Happold
Name: Girish Balachandran
Title: A Joint Powers Authority
Date: By:

SILICON VALLEY CLEAN ENERGY AUTHORITY

APPROVED AS TO FORM:

____________________________________
Counsel for Authority

ATTEST:

____________________________________
Authority Clerk
Click here to enter text.

Project Management

To set the foundation for a successful project, the Consultant will facilitate a kick-off meeting to clarify project objectives and scope, define roles and responsibilities, and identify potential challenges to the project as well as key stakeholder groups for each task. Shortly after the kick-off meeting, the Consultant will coordinate a project data discussion meeting. The purpose of this discussion will be to identify available SVCE data sets and to discuss data sharing protocol, understanding the potential scale of the data and import of data privacy. After this discussion, the Consultant will draft two information/data request lists to ensure that the Consultant is working with the latest and most comprehensive resources available. The first list will comprise of existing plans and reports that will be reviewed for Task A and the second list will focus on datasets needed for developing and customizing the data platform for Task B. These lists will be issued to SVCE after the project data discussion, and additional data will be requested, as needed for each Task.

Following these two initials discussions, the Consultant will develop a clear set of project management and quality control processes to ensure the objectives of the project are met and that the entire strategic planning effort occurs in an efficient and timely manner. This includes the implementation of processes to manage communications, information sharing, quality, risk, schedule, and scope. The Consultant will facilitate bimonthly project meetings with the SVCE project team. The frequency and duration of project management calls can be adjusted depending on the timeline and needs of each Task. At the end of each month, the Consultant will compile a status report along with the monthly invoice to be delivered to the designated authority.

Task A. Develop Regional Energy Resilience Plan

Task A.1 Summarize Region’s Energy Resilience Vulnerabilities

Based on the direction and information provided after the kick-off meeting, the Consultant will initiate a desktop review of relevant state, county, and local plans and reports that identify hazards and risks to energy systems in SVCE territory. As part of this review, the Consultant will collect information such as historical power outage patterns (season, time, duration, demand loss) and their impacts, including electricity consumption trends, grid reliability performance (SAIDI, SAIFI and CAIDI), power quality, cascading failures, number of customers affected, and public safety protocols within the climate hazards context. These plans may include:

- Regional and state climate vulnerability assessments, including relevant reports from the CA fourth Climate Assessment
- County and member jurisdiction reports and tools, such as Silicon Valley 2.0, local vulnerability assessments, General Plan Safety Elements, or Hazard Mitigation Plans;
Grid vulnerability reports, such as PG&E’s Climate Change Vulnerability Assessment and Distribution Resilience Plan or the CPUC Risk and Safety Assessment; Vulnerability assessment tools, including Silicon Valley 2.0; and other resources relevant to energy systems and community energy resilience as recommended by SVCE.

Using these reports, the Consultant will identify what systems and which communities and sub-populations are particularly vulnerable to predicted risks in the SVCE territory. The Consultant will focus on how the energy system, and the sub-populations who are most vulnerable and rely on electricity, may be impacted, and how the risk is projected to change over time. Based on this research, the Consultant will highlight the severity and potential impacts of grid failures on the health and safety of vulnerable populations including economically disadvantaged, disabled, medically fragile, elderly, and homeless populations.

Based on existing plans and studies, the Consultant will summarize the exposure of major geophysical and climate hazards in SVCE territory, such as sea level rise, flooding, storm, extreme heat, drought, and wildfires, earthquakes, subsidence, and landslides. The geographic, demographic, and socio-economic data from these reports, will be used to highlight sensitivity and risks posed by top hazards in the near- and long-term. Based on this review, the Consultant will summarize regional vulnerability to end users/customers and power assets including Generation (SVCE), Transmission and Distribution (PG&E), and behind the meter equipment impacted by grid failures. This analysis will be conducted based on existing reports and studies.

These findings will be presented in a comprehensive yet concise draft report (in Word format) for SVCE’s review. The Consultant will revise the draft report based on SVCE’s feedback and issue a final summary report (in InDesign format) with clear graphics and visualizations. If available, SVCE will share existing design templates and style guides for the Consultant to use when developing the InDesign template and to ensure consistency with the SVCE brand and materials. The Consultant can develop additional communication and/or educational materials highlighting regional vulnerabilities as one of the topics for Task C or for an additional service.

**Deliverables:**
- Regional Vulnerabilities Summary Report - Draft
- Regional Vulnerabilities Summary Report – Final

**Task A.2 Assess Energy Resilience Solutions and Strategies**

In this Task, the Consultant will review existing reports and publicly available materials such as those by PG&E, CEC, CPUC, and SVCE’s ongoing research and programs for Virtual Power Plant Options Analysis, Innovation Onramp Pilots, and the Decarbonization Strategy Roadmap. The goal of this review is to identify technological solutions, policy- and market-based mechanisms, and educational or behavioral programs that enhance community resilience, and strategies for community preparedness and emergency response to hazards and public safety power shutoff (PSPS) events.

To identify the most promising interventions, the Consultant will conduct a literature review of global and national best practices and collate innovative case studies for emerging technologies.
The Consultant will work with SVCE to select a combination of proven and emerging technologies focused on distributed energy resources (DERs) and building scale interventions, such as:

- Solar, wind, combined heat and power (CHP), fuel cell, and biomass generation;
- Microgrid applications;
- Battery storage options (stand-alone vs grid connected);
- Smart-grid systems including distribution management systems (DMS) and advanced metering infrastructure (AMI);
- Vehicle-to-grid (V2G) technologies;
- Backup power (permanent or leased); and
- Behind-the-meter load management and energy efficiency solutions.

These interventions will be evaluated for effectiveness in addressing the vulnerabilities identified in Task A1, market readiness and long-term cost-effectiveness, and ability to provide auxiliary benefits including decarbonization, customer retention, utility costs, and experience, local job creation, and ability to provide multiple grid services. Implementation challenges related to permitting and constructability, contracting mechanisms, impact on communities and small businesses, and other regulatory and market hurdles will also be reviewed.

The Consultant will also review energy resilience policy and program strategies. Potential policies and programs that could be reviewed includes those that:

- Incentivize market adoption: customer rebates or incentive programs, group purchasing
- Encourage flexibility and customer response: demand response programs, time of use policies
- Manage on-site energy use: benchmarking policies, on-site audits or feasibility assessments
- Streamline the process: permitting, building code updates, zoning changes, system hardening
- Educate and outreach: Flex alerts, customer programming
- Promote equitable access to clean energy: community solar programs, resilience hubs, BAAQMD grants, SVCE match funds and pilot incentives for affordable electrification

From this review, the Consultant will select a series of cases studies and best practices that highlight innovative and effective energy resilience programming and facilitate the adoption of energy resilience technologies. The Consultant’s expertise and experience with building energy efficiency and decarbonization strategies will also inform the analysis, taking a holistic view to energy management and resilience.

The Consultant will synthesize these findings into presentation materials and conduct up to 10 stakeholder interviews to refine and select best-fit interventions for SVCE’s territory. The Consultant will recommend potential interviewees at the kickoff meeting and finalize the list of interviewees and questions in consensus with SVCE staff. The interviews will aim to leverage experiential knowledge for addressing regional vulnerabilities and enhancing energy resilience.

The energy resilience solutions and strategies identified through this process will be summarized in a brief draft report (in Word format) for SVCE’s review. The Consultant will revise the draft
report based on SVCE’s feedback and issue a final report (in InDesign format) with clear graphics and visualizations.

**Deliverables:**
- Presentation Materials
- Up to 10 Stakeholder interviews
- Energy Resilience Solutions and Strategies Report - Draft
- Energy Resilience Solutions and Strategies Report - Final

**Task A.3 Regional Energy Resilience Roadmap**

After completing Task A.1 and A.2, the Consultant will develop an evaluation matrix to compare market ready and emerging technology solutions and policy/program strategies. This evaluation will focus on assessing the suitability, scalability, ease of implementation, and effectiveness in remediating key vulnerabilities in SVCE’s jurisdictions. The evaluation matrix will be developed in consultation with SVCE staff, and may include criteria such as:

- **Type:**
  - Centralized, decentralized, front-, and behind-the-meter technologies
  - Market-based, policy-based, and behavioral strategies and programs
- **Scale:** Building, neighbourhood, city, and utility
- **Ownership:** End user/customer, municipal/state, private, utility, and SVCE
- **Barriers and Risks:** Regulatory, cybersecurity, operational, and legal
- **Implementation Timeline:** Phasing installation and/or pilot till mid-century based on market readiness and funding/financing support
- **Decarbonization Synergy:** Emission reduction potential and renewable generation capacity of selected technologies in line with SVCE’s climate goals
- **Equity in Service:** Ability to respond to the region’s most significant regional vulnerabilities (see Task A)
- **Cost to Customer:** System costs pertaining to backup and storage systems, weather protection, and security
- **Cost to SVCE/PGE:** System costs pertaining to interconnection, distribution, control, and transmission upgrade

The Consultant will summarize these findings in the Regional Energy Resilience Roadmap Report. The Roadmap will utilize the design format and graphics developed for the Energy Resilience Solutions and Strategies Report and serve as an extension to the reports drafted under Tasks A1 and A2. Additionally, the Consultant will prepare interactive web-based materials showcasing the Roadmap, for ease of use and clear communication.

**Deliverables:**
- Regional Energy Resilience Roadmap - Report
- Regional Energy Resilience Roadmap - Web-based materials
Task B. Define, Identify, Assess Critical Community Facilities

Task B.1 Critical Facilities Framework and Stakeholder Engagement

In this Task, the Consultant will work with SVCE staff and local stakeholders to develop a definition for critical community facilities. The Consultant will first review existing federal, state, and county guidelines for defining and classifying critical facilities and understand individual and community needs in SVCE territory. The Consultant will strike a balance between technical definitions for critical facilities (e.g., facilities recommended by FEMA, CPUC and California Office of Emergency Services) and the perception of community resilience (e.g., facilities that provide essential public services and must stay operational for ensuring safety, health, and prosperity).

The Consultant will organize the research into a preliminary framework to classify facilities based on function or service, ownership (public or private), service area, occupancy (density, demographics, and mobility and health based restrictions in the event of power failures), and ability to withstand de-energization events and blackouts/outages. To develop a clear definition for critical facilities, the Consultant will host 1-2 focus groups with select stakeholders from member agencies, utilities, and office of emergency response, community service organizations, among others. The Consultant will refine the framework based on expert inputs and begin collecting spatial and non-spatial data relevant to critical facilities.

Task B.2 Geospatial Analysis

In this Task, the Consultant will identify critical facilities in the SVCE territory through a geospatial analysis, overlaying critical facilities data with additional data layer sets that will help inform the assessment and prioritization analysis in Task B.3. First, we will review and compile existing data sets available with SVCE, PG&E, Santa Clara County, and other regional and state agencies, to itemize parameters that can be represented spatially while also highlighting data limitations and gaps. To conduct a geospatial analysis, the Consultant will map critical facilities and overlay additional spatial datasets identified by the project team, such as:

- Critical facilities
- High-risk or hazard areas
- Outage incidents
- Solar potential and/or wind speed data
- Vulnerable sub-populations and demographic data (i.e. income levels, race and ethnicity, age)

Through this analysis and by overlaying these spatial layers, the Consultant will identify an initial list of facilities that are both critical to the community and at a higher risk or vulnerable to hazards and grid disruptions. To minimize duplication of efforts, the Consultant will leverage the work conducted by the County of Santa Clara with the Silicon Valley 2.0 decision-support tool. The output from the geospatial analysis will include a list of critical community facilities with associated spatial data that can be integrated into the prioritization criteria and customizable tool.
Task B.3 Customizable Tool and Jurisdiction-Level Analysis

After completing the geospatial analysis, the Consultant will join the resulting output (e.g. geospatial, building characteristic, threat level and type, services provided, criticality score) with SVCE’s customer account record data (e.g. two years of interval data or the energy data determined to be necessary to run the calculations required by the tool) based on a unique identifier in the datasets. Combining these datasets will allow additional parameters to be included in the multi-criteria decision analysis (MCDA) to assist SVCE in selecting and prioritizing appropriate energy resilience solutions and strategies for critical facilities identified. The initial assumption is that the data from both sources will be transmitted via flat files and the Consultant will develop a secure transport method. Additionally, the Consultant can explore utilizing other secure methods of automated data transfer that is currently being used by existing data storage systems (e.g. APIs on Google Big Data). The Consultant will develop a point-scale system (in Excel format) for ranking the suitability of technological solutions and program strategies based on criteria such as:

- Proximity to geohazards/climate hazards
- Facility function and service
- Existing solar, storage, wind, or fuel cell projects (including SGIP applications)
- Energy consumption, load shape/profile, and peak demand
- Co-benefits to socially vulnerable or other disadvantaged communities

The point-scale system and ranking criteria will be revised in consultation with SVCE staff, member agencies, and experts from the focus group discussed earlier in this Task through an additional user-specific focus group. The tool would present all criteria for which there is available data and allow the important ones to be selected to filter the data set. Of those selected factors, the top priorities (approximately three) can be identified in order of importance so the buildings can be appropriately ranked. The selection and ranking will be based on jurisdiction stakeholder feedback.

After building consensus on point-scale system and ranking structure, the Consultant will work with SVCE to translate the MCDA process flow in a customizable data platform licensed for unlimited use by SVCE and the jurisdictions. The Consultant will create, test and deploy an automated query Critical Facility Analysis Tool, which would likely start by using an Excel-based data set with a user-friendly interface to filter, score and rank buildings by jurisdiction. Additional functionality and/or using other tools is feasible but is not a component of the budget. As data security and privacy are top priority, the Consultant anticipates SVCE will provide a secure method of accessing necessary datasets. AESC plans to host the tool in a secure Microsoft Azure environment. Ongoing maintenance, additional customizations and hosting are available for additional scope.

The Consultant will also compile facility level analysis for each jurisdiction in a tabular format, along with the necessary metadata for geospatial analysis. The scope and extent of technical documentation for the data platform will be determined after further consultation with SVCE and their IT/GIS team.

Upon completion of these three sub-tasks the Consultant will document the definition and analysis of critical facilities for the SVCE territory and MCDA approach in a summary report (in
Deliverables:
- Critical Facilities Focus group
- Critical Facilities Summary report
- Customizable data platform for project site identification and prioritization
- Detailed facility-level analysis for each jurisdiction (List of prioritized facilities based on weighted factors)

Task C. Provide Education and Technical Assistance

The Team will prepare guidance documents and presentation materials for assisting member jurisdictions and will pull in subject matter experts for specific topic areas. The topics and the format will be finalized in consultation with SVCE staff. At early stages of this task, the Consultant may conduct an online survey to gauge familiarity with energy resilience topics, as well as to understand the needs and expectations of member jurisdictions and target audiences. This survey would help refine the scope of technical and educational materials and customize the content by audience type, knowledge, and interests.

Task C.1 Webinar Presentations and Trainings

The Consultant will develop presentation materials for up to three webinars, one customization of existing content and up to two new webinars or equivalent flash trainings. These webinars will be geared toward member jurisdictions and frame energy resilience principles, technologies, and best practices for building and community energy resilience. The Consultant recommends hosting presentations using virtual platforms (Zoom, Webex, or Microsoft Teams), and making the recordings available for future reference. The Team will finalize the themes, format, and duration of these webinars in consultation with SVCE staff.

Task C.2 Guidance Materials

The Consultant will share existing materials like AESC’s existing Energy Resiliency 101 training and Energy Resiliency Introductory Guidebook (https://www.aesc-inc.com/wp-content/uploads/2020/07/Energy-Resiliency-Intro-Guide.pdf). This guidebook is available to be delivered immediately for jurisdictions who have already initiated the planning process for selecting systems and solutions for energy resiliency. These materials will be customized with SVCE specific messaging in line with the Regional Energy Resilience Roadmap and Data Platform from Tasks A and B.

The Consultant also will draft up to two guidance documents that would focus on specific technology solutions or policy or program examples. The Consultant will work with SVCE to select the topics that would be most valuable. The reports will be short guides that will be laid out using InDesign, ensuring the technical information is accessible and clearly communicated. The Consultant is willing to organize online trainings, webinars, and prepare guidebooks on additional topics, as-needed.
Deliverables:
- Webinar presentation materials, or equivalent set of “flash trainings”; see Services for potential topics
- Up to two written technical guidance materials (no longer than 10 pages)
- Additional webinars and materials would be available for add-on services

Services:
- Lead Educational webinars
  - Webinar 1: Overview of Energy Resiliency (customize existing content)
  - Webinar 2: Principles of Energy Resilience
  - Webinar 3: Energy Resilience Technologies and Best Practices

Task D. Member Agency Resilience Planning, Feasibility Assessment, and Communication Projects

The Consultant is prepared to lead member agency projects related to the services outlined below, to be determined based on Agency/SCVE budget allocation. Buro Happold will support SVCE and the agency in finalizing approved project scopes and plans, managing according to each not-to-exceed agency budget. All services will be performed under a Master Services Agreement. Buro Happold would lead services D. 1, 4 and 5 applying expertise in climate resilience and adaptation planning, communications and outreach, and cross-departmental coordination to agency-level service offerings. AESC would lead services D. 2 and 3 bringing their technical expertise to project prioritization and on-site feasibility analysis. Potential approaches to these service offerings are offered below, but the Consultant would work with each jurisdiction to respond to or develop a scope that fits the unique needs of individual member agencies.

D.1 Jurisdiction-level adaptation and/or resilience planning

The Consultant would work with the jurisdiction to identify existing energy-related efforts and priorities for developing an adaptation or resilience plan focused on energy resilience. The scope can include tailored vulnerability and needs assessment and stakeholder engagement to gain further insight into local energy landscape, outage events, and risks. These findings along with results from Tasks A-C, would be synthesized into a framework to assess localized opportunities and barriers for addressing specific resilience enhancement needs within a jurisdiction. The Consultant could also review local regulatory frameworks and incentives to align phasing and implementation guidance with existing structures and funding mechanisms.

Potential deliverables include an Energy Resilience Plan that captures these findings while aligning with the Regional Energy Resilience Roadmap in Task A. The plan may include resilience considerations, and phased approaches to preparedness, event response, mitigation strategies, and recovery. This plan can be written as an internal document or as a public facing document. An internally facing plan would include a deeper review of potential policy interventions, capital planning for energy technologies, and staff needs to execute the plan. A public facing document could provide background into the nature of and risks associated with
local energy-related vulnerabilities, insights gained from stakeholder workshops, and clear guidance on public preparedness and response resources available within the jurisdiction.

**D.2 Jurisdiction level needs assessment to support capital project site prioritization**

The Consultant will leverage the results from Tasks A–C to create tailored solutions as requested by each jurisdiction. As each region has multiple facilities that will qualify as critical and therefore need to achieve energy resiliency, the approach starts with a remote assessment, which is a quick, inexpensive way to form an understanding of potential and to prioritize which critical facilities justify a closer look. The Consultant will work with the jurisdiction and SVCE to collect basic information on each building, including energy use interval data, building use-type and address, recent utility bill, typical operating hours, and the desired hours of resiliency. For buildings still in construction or planning process, the Consultant would request blueprints, from which anticipated energy use can be modelled. The Consultant will analyze the sites using online mapping tools to determine each locations’ potential to support self-generation, and which generation and storage solution is the most appropriate. The Consultant will then leverage AESC’s software platform, Praxis, to quickly run scenarios on each building, including estimated energy efficiency potential, along with size and cost information for generation and storage to reach the desired hours of energy self-sufficiency for the portion of building’s load deemed critical.

The resulting building report can outline high-level benefits of energy efficiency, and for generation and storage, estimated costs and paybacks for cash purchases and financial analysis for Power Purchase Agreements (PPAs). The Consultant can help the jurisdiction think through the needed number of hours and can run multiple scenarios with different time frames for comparison/decision making. It is worth noting that reducing energy demand prior to installing generation and storage will help bring down the costs of proposed generation and storage solution, typically for renewable energy microgrid and utility-scale battery systems.

The Consultant will compile each building report into a portfolio roll-up, which will rank each building by overall energy resiliency potential, energy efficiency potential, and payback periods and/or cost savings when using a PPA. These charts will provide an at-a-glance view of the entire portfolio, and a key discussion point when determining where to start.

**D.3 Detailed site assessment/feasibility analysis for energy resilience capital projects**

The Consultant will visit requested site(s) to assess the facility and develop recommendations. Prior to any site visit, the Consultant will use any appropriate tools such as satellite imagery or previously conducted remote analysis to develop an overview of the site’s visible attributes and conditions. These assessments can vary in depth depending on the desired outcome and findings on site. The options available for this Task include a high-level assessment of generation and/or storage types and locations, a review of possible interconnection issues, an in-depth feasibility study with initial design.

Engineering support could include ad-hoc technical or support, financial analysis and
prioritization for identified capital expenditures, identification of available financing or incentives, such as through SGIP, initial resiliency solution design and specifications to include in vendor RFPs, and unbiased review of submitted bids. On request, energy efficiency opportunities can be included in site assessments along with services offered under Task D.2. This important step identifies facilities’ energy consumption reduction opportunities, which can reduce generation and storage size and associated costs. As this support is intended to aid the jurisdiction in understanding complex technical and financial issues, the Consultant can provide subject guidance but will not select a vendor on behalf of the jurisdiction.

D.3 – Optional (Support pilot programs and management)

As the Consultant assesses appropriate technology solutions in Task 2, the Consultant may encounter an opportunity that may be a good fit for testing emerging technologies. If a jurisdiction or customer is interested in pursuing a pilot project, the Consultant could assist with monitoring and verifying the technologies to determine if they meet or exceed customer’s requirement. Successful projects could then be replicated in locations and structures with similar hazard profiles, functions, and structural or design constraints.

D.4 Community engagement and communications support

The Consultant would work with member agency(s) to understand the complexity of its stakeholder groups, collect demographic data, build a stakeholder map, and conduct interviews with community leaders. The Consultant can design communication and outreach strategies with clear and interactive messaging to engage diverse audiences and demographics. We would gauge public awareness and perceptions of energy resilience and enlist interested individuals in a steering committee, to craft a tailored Community Engagement Plan. The Consultant is also available to help select local stakeholder engagement firms to help support this work.

To support the jurisdiction(s) in developing a successful Community Engagement Plan, the Consultant can offer the services such as leading virtual engagement workshops, preparing presentations for steering committee meetings, and designing public facing materials for community awareness and education. The Consultant can coordinate internal and external outreach, manage logistics, facilitate conversations, track participation, and document and synthesize inputs to develop and share key insights and recommendations that ultimately inform planning outcomes and build stakeholder alignment and consensus.

D.5 Inter/Intra agency coordination planning and support

After assessing vulnerabilities and energy solutions and strategies in tasks A-C, the Consultant is ready to support SVCE in coordinating regional efforts to promote community resilience at the city level, while also aligning with state/utility goals and programs. The Consultant can offer planning support and project management services such as:

- Coordinate capital project planning efforts between SVCE, City Departments, PG&E, County and other State Departments for Tasks D.1 and 2.
- Facilitate stakeholder workshops/meetings between diverse groups for coordinating, energy back-up, emergency preparedness and response
• Organize cross-departmental workshops for supporting City Planning Departments (Land Use, Buildings, GIS, Energy) in streamlining climate action planning, building decarbonization, and energy resilience implementation efforts in D.3.
• Assist City GIS Departments in leveraging existing data and methodology from Task B.3 (geospatial analysis and critical facility analysis tool) for conducting granular analysis on the neighborhood, block, or building scale, to inform localized planning and action.
• Lead (or support City Departments) scenario visioning exercises or design charrettes prior to site assessment/feasibility analysis for energy resilience projects in D.3
• Support City Departments in identifying and preparing grant applications for energy resilience funding
• Organize virtual events for peer to peer learning and help develop a learning platform for resource sharing and collaboration between member agencies in the SVCE territory.
• Prepare presentation, communication, and written materials for the services listed above.

D. 6 Additional Community Energy Resilience Support

The Consultant can provide additional community energy resilience planning, analysis, and support services for member jurisdictions as determined and approved by a member jurisdiction, SVCE, and the Consultant.
Exhibit B
Schedule of Performance

Click here to enter text.

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

<table>
<thead>
<tr>
<th>Task</th>
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<td>A. Develop Regional Energy Resilience Plan</td>
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<td>3/31/2021</td>
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<tr>
<td>B. Define, Identify and Assess Critical Community Facilities</td>
<td>12/1/2020</td>
<td>6/30/2021</td>
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<tr>
<td>C. Provide Education and Technical Guidance Resources</td>
<td>12/1/2020</td>
<td>6/30/2021</td>
</tr>
<tr>
<td>D. Member Agency Resilience Planning, Feasibility Assessment, and Communications Projects</td>
<td>10/30/2020</td>
<td>12/31/2021</td>
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Exhibit C
Compensation

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

The compensation to be paid to Consultant under this Agreement for all services described in Exhibit “A” and reimbursable expenses shall not exceed a total of One Million Three Hundred Thirty-Three Thousand Three Hundred Thirty Three dollars ($1,133,333), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

<table>
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<th>Task</th>
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<td>D. Member Agency Resilience Planning, Feasibility Assessment, and Communications Projects – Project Hours and Fee to be determined based on services requested</td>
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Rates

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<th>Buro Happold Personnel</th>
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<td>David Herd</td>
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<td>Adam Friedberg</td>
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<td>Sabrina Bornstein</td>
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<td>Richa Yadav</td>
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<td>Mikayla Hoskins</td>
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<td>Madeleine Sims</td>
<td>Graduate Consultant</td>
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<td>Dara Salour</td>
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<td>Chazrick Branson</td>
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</tr>
<tr>
<td>Identified as needed</td>
<td>Associate Engineer</td>
<td>$112</td>
</tr>
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**Invoices**

**Monthly Invoicing:** In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges (including a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed). Authority shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein. Authority does not pay interest on past due amounts.

**Reimbursable Expenses**
Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. Travel expenses must be authorized in advance in writing by Authority. In no event shall reimbursable expenses collectively exceed the total sum of _______________ ($_________).

**Additional Services**
Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from Authority Representative prior to commencement of any additional services. Consultant shall submit, at the Authority Representative’s request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.
Exhibit D
Insurance Requirements and Proof of Insurance

Consultant shall maintain the following minimum insurance coverage:

A. **COVERAGE:**

   (1) **Workers’ Compensation:**
   Statutory coverage as required by the State of California.

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

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

   (4) **Professional Liability**
   Professional liability insurance which includes coverage for the professional acts, errors and omissions of Consultant in the amount of at least $1,000,000.

   (5) **Privacy and Cybersecurity Liability**
   Privacy and cybersecurity liability (including costs arising from data destruction, hacking or intentional breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs of at least $5,000,000 US per occurrence.)
Exhibit E
Confidentiality Requirements

Subject to the terms and conditions of the Agreement, current proprietary and confidential information of Authority regarding customers of Authority ("Authority Customers") and/or other confidential information (collectively "Confidential Information") may be disclosed to Consultant from time to time in connection herewith solely for the purposes set forth in the Agreement. Such disclosure is subject to the following legal continuing representations and warranties by Consultant:

1. The Confidential Information disclosed to Consultant in connection herewith may include, without limitation, the following information about Authority Customers: (a) names; (b) addresses; (c) telephone numbers and email addresses; (d) service agreement numbers and account numbers; (e) meter and other identification numbers; (f) Authority-designated account numbers; (g) electricity and gas usage (including monthly usage, monthly maximum demand, electrical or gas consumption, HP load, and other data detailing electricity or gas needs and patterns of usage); (h) billing information (including rate schedule, baseline zone, CARE participation, end use code (heat source) service voltage, medical baseline, meter cycle, bill cycle, balanced payment plan and other plans); (i) payment / deposit status; (j) number of units; and (k) other similar information specific to Authority Customers individually or in the aggregate. Confidential Information shall also include specifically any copies, drafts, revisions, analyses, summaries, extracts, memoranda, reports and other materials prepared by Consultant or its representatives that are derived from or based on Confidential Information disclosed by Authority, regardless of the form of media in which it is prepared, recorded or retained.

2. Except for electric and gas usage information provided to Consultant pursuant to this Agreement, Confidential Information does not include information that Consultant proves (a) was properly in the possession of Consultant at the time of disclosure; (b) is or becomes publicly known through no fault of Consultant, its employees or representatives; or (c) was independently developed by Consultant, its employees or representatives without access to any Confidential Information.

3. From the Effective Date, no portion of the Confidential Information may be disclosed, disseminated or appropriated by Consultant, or used for any purpose other than the purposes set forth in the Agreement.

4. Consultant shall, at all times and in perpetuity, keep the Confidential Information in the strictest confidence and shall take all reasonable measures to prevent unauthorized or improper disclosure or use of Confidential Information. Consultant shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure and prohibits the use of the data for purposes not set forth in the Agreement. Specifically, Consultant shall restrict access to Confidential Information, and to materials prepared in connection therewith, to those employees or representatives of Consultant who have a “need to know” such Confidential Information in the course of
their duties with respect to the Consultant program and who agree to be bound by the nondisclosure and confidentiality obligations of this Agreement. Prior to disclosing any Confidential Information to its employees or representatives, Consultant shall require such employees or representatives to whom Confidential Information is to be disclosed to review this Agreement and to agree to be bound by the terms of this Agreement. Consultant shall not disclose Confidential Information or otherwise make it available, in any form or manner, to any other person or entity that is not Consultant’s employee or representative (a “Third Party”), except where that Third Party has separately entered into a nondisclosure agreement with Authority.

5. Notwithstanding the above, Consultant may disclose Confidential Information to the extent required by an order, subpoena, or lawful process requiring the disclosure of such Confidential Information issued by a court or other governmental authority of competent jurisdiction, provided that Consultant notifies Authority immediately upon receipt thereof to allow Authority to seek protective treatment for such Confidential Information.

6. Consultant shall immediately notify Authority if it reasonably believes that there has been unauthorized access to the Confidential Information by a non-authorized person that could reasonably result in the use, disclosure, or theft of the Confidential Information.

7. It shall be considered a material breach of this Agreement if Consultant engages in a pattern or practice of accessing, storing, using, or disclosing the Confidential Information in violation of the contractual obligations described herein. Consultant understands that if Authority finds that Consultant is engaged in a pattern or practice of accessing, storing, using, or disclosing Confidential Information in violation of this Agreement Authority shall promptly cease all disclosures of Confidential Information to Consultant. Consultant further understands that if Authority receives a customer complaint about Consultant’s misuse of data or other violation of the Disclosure Provisions, Authority shall promptly cease disclosing that customer’s information to Consultant and shall notify the California Public Utilities Commission of the complaint.

8. Consultant shall be liable for the actions of, or any disclosure or use by, its employees or representatives contrary to this Agreement; however, such liability shall not limit or prevent any actions by Authority directly against such employees or representatives for improper disclosure and/or use. In no event shall Consultant or its employees or representatives take any actions related to Confidential Information that are inconsistent with holding Confidential Information in strict confidence. Consultant shall immediately notify Authority in writing if it becomes aware of the possibility of any misuse or misappropriation of the Confidential Information by Consultant or any of its employees or representatives. However, nothing in this Agreement shall obligate the Authority to monitor or enforce the Consultant’s compliance with the terms of this Agreement.

9. Consultant shall comply with the consumer protections concerning subsequent disclosure and use set forth in Attachment B to California Public Utilities Commission (CPUC) Decision No. 12-08-045.
10. In addition to any other requirements set forth in the Agreement, within ten (10) business days of receipt of Authority’s written request, and at Authority’s option, Consultant will either return to Authority all tangible Confidential Information, including but not limited to all electronic files, documentation, notes, plans, drawings, and copies thereof, or will provide Authority with written certification that all such tangible Confidential Information of Authority has been destroyed.

11. Consultant acknowledges that disclosure or misappropriation of any Confidential Information could cause irreparable harm to Authority and/or Authority Customers, the amount of which may be difficult to assess. Accordingly, Consultant hereby confirms that the Authority shall be entitled to apply to a court of competent jurisdiction or the California Public Utilities Commission for an injunction, specific performance or such other relief (without posting bond) as may be appropriate in the event of improper disclosure or misuse of its Confidential Information by Consultant or its employees or representatives. Such right shall, however, be construed to be in addition to any other remedies available to the Authority, in law or equity.

12. In addition to all other remedies, Consultant shall indemnify and hold harmless Authority, its officers, employees, or agents from and against and claims, actions, suits, liabilities, damages, losses, expenses and costs (including reasonable attorneys’ fees, costs and disbursements) attributable to actions or non-actions of Consultant and/or its employees and/or its representatives in connection with the use or disclosure of Confidential Information.

13. When Consultant fully performs the purposes set forth in the Agreement, or if at any time Consultant ceases performance or Authority requires Consultant cease performance of the purposes set forth in the Agreement, Consultant shall promptly return or destroy (with written notice to Authority itemizing the materials destroyed) all Confidential Information then in its possession at the direction of Authority. Notwithstanding the foregoing, the nondisclosure obligations of this Agreement shall survive any termination of this Agreement.
Staff Report – Item 11

**Item 11:** Closing Report of the Ad Hoc Committee of the Board to Address Legislative and Regulatory Responses to Industry Transition

From: Girish Balachandran, CEO

Prepared by: Melicia Charles, Director of Regulatory and Legislative Policy
Hilary Staver, Manager of Regulatory and Legislative Affairs

Date: 10/14/2020

**RECOMMENDATION**

Staff recommends that the Board receive the closing report of the Ad Hoc Committee of the Board to Address Legislative and Regulatory Responses to Industry Transition (“Ad Hoc Committee”).

**BACKGROUND**

The Ad Hoc Committee was convened at the January 2020 SVCE Board of Directors Meeting and expired on September 30, 2020. The Closing Report contains documentation of the Ad Hoc Committee’s operations and activities during its tenure, and is the required final product of the Ad Hoc Committee upon its expiration.

**ANALYSIS & DISCUSSION**

The Closing Report provides documentation of the Ad Hoc Committee’s activities as well as an update on each of the five policy areas defined as the scope of the Ad Hoc Committee upon its formation.

**STRATEGIC PLAN**

The activities of the Ad Hoc Committee including presentation of this Closing Report support Goal 8 of SVCE’s Strategic Plan, "Engage regulators and legislators in developing policy that protects CCA rights and facilitates CCA contributions to decarbonization, grid reliability, affordability, and social equity.”

**ALTERNATIVE**

If the Board wishes to see any changes to the Closing Report, SVCE can update the Closing Report and place it on the agenda for the November 2020 Board of Directors meeting.

**FISCAL IMPACT**

None.

**ATTACHMENTS**

1. Closing Report of the Ad Hoc Committee of the Board to Address Legislative and Regulatory Responses to Industry Transition
I. Committee Operations

Formed of the Ad Hoc Committee of the Board to Address Legislative and Regulatory Responses to Industry Transition ("Ad Hoc Committee") was authorized by the SVCE Board of Directors at its January 2020 meeting with the following five areas in scope:

➢ PG&E Restructuring and Reform
➢ Public Safety Power Shutoffs and Wildfire Prevention and Cost Recovery
➢ Centralization of Resource Procurement
➢ Expansion of Direct Access
➢ Transparency and Accountability in Ratemaking

Members of the Ad Hoc Committee were selected at the February 2020 Board of Directors Meeting. Membership consisted of: Vice Chair Nancy Smith; Director Javed Ellahie; Director Neysa Fligor; Director Yvonne Martínez Beltrán; Director Rob Rennie; and Director Rod Sinks.

Committee Activities
The Ad Hoc Committee held its inaugural meeting on March 4, 2020. The agenda for the meeting consisted of a review of the 2020 legislative calendar, an update from SVCE’s lobbying team in Sacramento, and discussion of current events in each of the five scoping areas. Election of a Chair and Vice Chair for the Ad Hoc Committee was deferred due to incomplete attendance. Preparations were also discussed for Director Sinks to represent the Ad Hoc Committee alongside SVCE staff at the California Community Choice Association’s (CalCCA) annual lobby day in Sacramento on March 10, 2020.

About two weeks after the Ad Hoc Committee’s first meeting, the worsening COVID-19 pandemic sent the legislature into emergency recess. When the legislature reconvened in early May, leadership in both houses severely curtailed the scope of the remaining legislative session to focus on COVID-19 response and emergency economic aid. Most bills on all other topics, including CalCCA’s two sponsored bills and most bills pertaining to the Ad Hoc Committee’s five scoping areas, were abandoned. This meant far less legislative action and the need for advocacy and outreach around the scoping areas during the remainder of the 2020 legislative session than anticipated. SVCE staff provided legislative updates to the SVCE Board by email in April and May, but the Ad Hoc Committee did not meet again until after the session concluded.

The Ad Hoc Committee held its second and final meeting on September 25, 2020. Committee members received a review of the 2020 session from SVCE’s lobbying team, Steve Baker and Jennifer Tannehill from Aaron Read and Associates, and staff discussed the status of each of the five scoping areas. This discussion is summarized in Section II.

II. Scoping Area Updates
In the wake of its sunset date, the Ad Hoc Committee provides the following updates to the Board on each of the five Scoping Areas.

PG&E Restructuring and Reform
• PG&E emerged from Chapter 11 bankruptcy on July 1, 2020 with its business model largely intact.
The CPUC declined to compel substantive reforms during its assessment of PG&E’s Proposed Plan of Reorganization. Joint CCA testimony submitted during the review argued for making PG&E a wires-only company focused on grid safety and maintenance, but these reforms were not adopted.

SB 350, passed in June, was significant for directing PG&E’s assets to be taken over by a nonprofit public benefit corporation if PG&E had failed to emerge from bankruptcy in a timely fashion.

For the time being, further reform of PG&E’s business model seems unlikely. The CPUC retains an open but stagnant investigation into PG&E’s safety culture that has been running since 2015.

Public Safety Power Shutoffs (PSPS) and Wildfire Prevention and Cost Recovery

Many bills related to shutoffs and wildfire safety and prevention were introduced but most were tabled due to COVID-19. There is pent-up demand for action on these topics that will likely be reflected in the bills introduced in 2021.

Based on the bills introduced in 2020, planning and governance of PSPS events along with grid resiliency measures such as microgrids will remain topics of high interest in 2021.

Expansion of funding for wildfire prevention and mitigation (AB 1659) failed at the very end of the 2020 session and is likely to resurface in 2021.

The rolling blackouts of August 2020 are likely to mean higher-than-usual legislative interest in grid reliability during the 2021 session.

Centralization of Resource Procurement

CalCCA sponsored AB 3014 (Muratsuchi, 2020), which would have created a nonprofit public benefit corporation (the “Central Reliability Authority”) to serve as a residual central buyer of Resource Adequacy (RA). However, it was tabled in March along with many other bills due to COVID-19.

In June, the CPUC finalized its own plan for central procurement of Local RA, making PG&E and SCE central buyers in their service territories. PG&E will begin central procurement activities in 2021.

An opposition coalition including CalCCA held off several attempted long-duration storage mandates (AB 2255 and AB 1720), but centralized resource mandate bills are likely to reappear in 2021.

Expansion of Direct Access (DA)

SB 237 (Hertzberg, 2018) expanded DA by 4,000 GWh and directed the CPUC to conduct a study on the pros and cons of reopening full retail competition for nonresidential customers.

The study was originally due to the legislature on June 1, 2020 and in draft form for stakeholder comment in March 2020. However, there was no news of the study until September 2020, when the CPUC extended the completion deadline to March 15, 2021.

On September 28, 2020 the CPUC released the draft study for stakeholder review and comment. It recommends expanding DA no earlier than 2024 to allow time for current ESPs to demonstrate compliance with RA, Integrated Resource Planning, and Renewable Portfolio Standard requirements. If the ESPs pass this review, the study recommends an incremental DA expansion of no more than 10% of nonresidential load per year.

Transparency and Accountability in Ratemaking

Sharp PCIA increases and the opacity of the surrounding data continue to be a major concern.

CalCCA-sponsored AB 2689 (Kalra, 2020) would have improved transparency around the costs that go into the PCIA but was tabled early in the session due to COVID-19.

Negotiations over data access continue on the regulatory side. Timely data access and transparency will ensure that rates are accurate and reasonable, enable CCAs to anticipate and plan for rate impacts, and highlight potential structural changes needed to the PCIA calculation process.
**Staff Report – Item 1m**

**Item 1m: Executive Committee Report**

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Howard Miller, Chair of the Board

Date: 10/14/2020

At the September 25, 2020 Executive Committee meeting, the committee discussed long-duration storage and a super joint powers authority, and the building decarbonization joint action plan. The committee provided feedback on the building decarbonization joint action plan, which is expected to come to the Board in November.

The committee also addressed two action items at the meeting: 1) PG&E Carbon-free Allocations for 2021 through 2023 Deliveries, and 2) Amend Master Consulting Agreements – Extend Term and Spending Authority.

The committee voted unanimously to support recommending the Board approve accepting PG&E’s large hydro and nuclear carbon-free allocations for 2021-23, and delegate authority to the CEO to enter into necessary agreements; they also suggested including this item on the consent calendar for the Board meeting being that the request extends the Board’s previously approved policy to accept the full recommendation.

For the second action item, the committee also supported and approved unanimously to recommend Board approval of an amendment to the resolution authorizing the CEO under Master Consultant Agreements to spend up to $1.5M inclusive through March 31, 2022. Director Gibbons suggested the item could be presented on consent, as long as language was included in the staff report that the contracts had been reviewed for language and consistency and would be revisited in five years.

Materials from this August meeting can be found here: [SVCE Executive Committee Meeting Materials, 9/25/20](#)

The next meeting of the Executive Committee will be Friday, October 23rd, 8:30 am; meeting information will be listed on the agenda which will be posted 72 hours in advance of the meeting.
Staff Report – Item 1n

Item 1n: Finance and Administration Committee Report

To: Silicon Valley Clean Energy Board of Directors
From: Rob Rennie, Chair of the Finance and Administration Committee
Date: 10/14/2020

The Finance and Administration Committee met September 15, 2020.

The committee first received an update on the long-term power prepay agreement. The committee received a presentation by staff and was briefed by staff and SVCE’s financial advisor, Michael Berwanger of Public Financial Management. The committee supported the action steps including the formation of a conduit joint powers agency to issue the prepay bonds and the undertaking of necessary documentation to be ready when interest rates are favorable to execute the agreement. The committee also supported the timeline to bring these items to the Board for approval as soon as possible.

The committee received a presentation and discussed a Health Savings Account benefit option for SVCE staff, and voted unanimously with two members absent to recommend the Board approve the addition of a Health Savings Account option as a new benefit that employees may elect to participate in. This item is on the Board Meeting agenda as a consent item for consideration.

Materials from the meeting can be found here: SVCE Finance and Administration Committee Meeting - Sept. 15, 2020

The next meeting of the committee is to be decided and will be announced at a later date. Materials will be posted no later than 72 hours in advance of the meeting.
Staff Report – Item 1o

Item 1o: Audit Committee Report

From: Girish Balachandran, CEO

Prepared by: Andrea Pizano, Board Clerk/Executive Assistant

Date: 10/14/2020

No report as the Audit Committee has not met since September 2, 2020; the next meeting of the committee is to be decided and will be announced at a later date.
Staff Report – Item 2

**Item 2: CEO Report**

To: Silicon Valley Clean Energy Board of Directors

Prepared by: Girish Balachandran, CEO

Date: 10/14/2020

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**REPORT**

**COVID-19 Response**
A verbal update will be provided at the board of directors meeting.

**SVCE Staff Update**
Sri Sukhi joined SVCE on October 8th as a Senior Data Engineer. Sri has a master’s degree in Computer Science from the University of Kentucky and a graduate certificate in Data Science from Stanford University. Prior to SVCE, he was Founder & CTO of Solecular, Inc., a company that applies machine learning to unlock operational efficiencies for IT, Telco, and energy generation. He bootstrapped the company from initial conception to prototype to positive earnings, also serving as its chief data scientist. He has previously worked in data warehousing and distributed systems for companies including Data Domain/EMC and Oracle. In his spare time, Sri volunteers as an EV ambassador for Acterra.

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

1) Ion Translations, LLC: Translation Services, not to exceed $50,000
2) School of Thought: Media Planning and Marketing Services, not to exceed $45,000
3) MBCP and Braun Blaizing Smith Wynne, Amendment: Cost sharing and reimbursement agreement for legal and consulting services, not to exceed $13,334 for each member
4) Evmatch, Amendment: Multi-Family EV Charger Sharing Platform, not to exceed $74,000
5) Pacific Energy Advisors, Amendment: Technical Consulting Services, time extension to 10/15/20
6) Bryce Consulting: Human Resource and Recruitment Services, not to exceed $24,500
7) ADM, Task Order: Customer Awareness Survey and eHub Evaluation, not to exceed $51,670
8) Utility API, Amendment: Energy Data Exchange Platform Pilot, time extension to 7/15/21
9) Keyes & Fox, Joint Representation Letter: Pacific Gas and Electric Company’s 2021 ERRA Forecast Application
10) Building Decarb Coalition: Switch Is On media campaign coordination, not to exceed $40,000

**CEO Power Supply Agreements Executed**

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<td>PG&amp;E</td>
<td>9/14/2020</td>
<td>Purchase</td>
<td>Resource Adequacy</td>
<td>7/1/2021</td>
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<tr>
<td>PG&amp;E</td>
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<td>7/1/2021</td>
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These agreements are included in the Board packet as Appendix A.

**Presentations & Relevant Meetings Attended by CEO**
- Participated in CalCCA Monthly board, executive, and legislative meetings;
- Long-Duration Storage Super-JPA and RFO: Updates to various CCAs, CPUC, CAISO and legislative staff
- 9/28: Connecticut Public Utility Regulatory Authority – CCA Study Docket, Technical Workshop #2 (speaker)

**ATTACHMENTS**
1. Decarb & Grid Innovation Programs Update, October 2020
2. Account Services & Community Relations Update, October 2020
3. Regulatory and Legislative Update, October 2020
5. SVCE Director Requests Update
Decarb & Grid Innovation Programs Update

October 2020
1. Customer Relief & Community Resilience (1 of 4)

Staff has begun work on three new programs approved by the SVCE Board in May 2020:

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<td><strong>Customer Relief</strong></td>
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<tr>
<td>1a) $100 bill credit to all residential CARE/FERA customers</td>
<td>$2.5M</td>
<td>September 2020</td>
</tr>
<tr>
<td>1b) $250 bill credit to qualifying/responding small business customers</td>
<td>$1.0M</td>
<td>September 2020</td>
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<tr>
<td><strong>Workforce Relief</strong></td>
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<td>2a) Workforce Electrification Training with $500 Stipend</td>
<td>$1.0M</td>
<td>August 2020</td>
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<tr>
<td>2b) Workforce Home Electrification Installation</td>
<td>$0.5M</td>
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<td><strong>Community Resilience</strong></td>
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<td>3a) Resiliency Infrastructure Planning Support</td>
<td>$1.0M</td>
<td>December 2021</td>
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<td>3b) Resiliency Infrastructure Capital Project Support</td>
<td>$4.0M</td>
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1. Customer Relief & Community Resilience (2 of 4)

Customer Relief

Residential

• 26,853 Residential CARE/FERA customers received credits as of 9/30
  • $2.82M of $2.5M budget. **Phase 1 and Phase 2 complete**

Small Commercial

• 3,124 local small businesses awarded $250 bill credits as of 9/30
  • $781k of $1.0M budget
  • Deadline for responses closed 9/30. Accepting late entries until 10/7
1. Customer Relief & Community Resilience (3 of 4)

Workforce Relief

Future Fundamentals – Contractor Training

- Primary content recorded, currently being edited
- Supplemental content under development
- Partnered with Redwood Energy and Workforce Institute
- Initial online asynchronous curriculum going live in Q4
1. Customer Relief & Community Resilience (4 of 4)

Community Resiliency

• Conducted interviews with top five consultant firms for the community energy resilience planning, analysis and support contract
• Selected top firm and completed contract negotiations
• Contract in Board packet for review and approval
2. Reach Code Initiative (1 of 2)

- **Buildings**
  - **Ten cities have adopted Reach Codes** – Morgan Hill, Mountain View, Milpitas, Saratoga, Monte Sereno, Los Gatos, Cupertino, Campbell, Los Altos Hills, and Los Altos.
  - Sunnyvale bringing proposed codes to council in Oct 27, 2020.
  - Technical support platform available for electrification at [www.AllElectricDesign.org](http://www.AllElectricDesign.org)
  - Morgan Hill council briefed on amending existing code with additional battery storage considerations

- **EVs**
  - **Seven member agencies adopted EV reach codes**
  - Morgan Hill council briefed on adding EV codes
## 2. Reach Code Initiative (2 of 2)

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**Key**

- **Status**
  - Approved
  - 2nd Reading
  - 1st Reading
  - Staff Proposal
  - Council Briefing

- **Building Reach**
  1 - All-electric buildings
  2 - Mixed fuel has higher requirements
  2A - Mostly electric/electric heating only

- **EV Reach**
  - Higher than CalGREEN
3. FutureFit Home Program

Phase 1 & 2 focus on Heat Pump Water Heaters

Phase 1 - Co-funded by Air District grant is closed
  • **94 Completed.** Processing remaining reservations
  • Entering EM&V phase to learn program impacts

Phase 2 - launched August 24, 2020
  • **104 Applications. 12 Completed installations**
  • More HPWH units are eligible
  • Continues incentive for service panel upgrade
4. Streamlining Community-Wide Electrification

- **Purpose**: Review member agency’s permitting and inspection processes and identify barriers and key opportunities related to electrification.
- **Two Deliverables**:
  - Baseline Assessment and Best Practices Guide
  - Data collection began in August
  - Currently conduct interviews with building department staff, contractors, and industry stakeholders
  - Will hold private roundtable with industry experts to solicit information on how best streamline processes

REQUEST FOR PROPOSALS FOR Streamlining Community-Wide Electrification Program

RFP Release Date: May 8, 2020
RFP Submittal Deadline: May 29, 2020 at 5:00 PM Pacific Time

Decarb and Grid Innovation Programs Update, October 2020
5. Building Decarb Plan (1 of 2)

- BOD approved building decarb joint action plan as program priority in Feb 2020
- Purpose: *articulate a shared vision for how SVCE and member agencies can continue to work to decarbonize the built environment & establish prioritized actions*
- Schedule:
  - Mar – work commenced
  - May – mini-workshops with stakeholders
  - Jul – draft plan distributed for stakeholder input
  - Aug – synthesizing stakeholder feedback and revising draft
  - Sep – Exec Comm review
- **Plan will be brought forward to BOD in Nov**
5. Building Decarb Plan (2 of 2)

- SVCE Territory-wide Buildings Baseline Study carried out to inform the BDJAP; completed in September 2020
- Report and webinar recording: https://www.svcleanenergy.org/researchandanalysis/
- Built environment accounts for approx. 1/3 of territory-wide emissions
  - Natural gas space heating/water heating are the most emissions-heavy end uses

![Energy- and transportation-related emissions by sector in SVCE territory (2018)](image)
6. EV Programs (1 of 3)

• **CALeVIP** webpage is now open ([calevip.org/incentive-project/peninsula-silicon-valley](calevip.org/incentive-project/peninsula-silicon-valley)) - applications will be accepted starting December 16, 2020

• First year of quarterly **Silicon Valley Transportation Electrification Clearinghouse** meetings completed! Resources online at [svcleanenergy.org/svtec/](svcleanenergy.org/svtec/)

• Application period for first **Regional EV Leadership Recognition** cycle closed 8/31. SVCE is reviewing applications to select innovative/scalable deployments to document and promote

Digital version available at: [https://www.svcleanenergy.org/programs/](https://www.svcleanenergy.org/programs/)
6. EV Programs (2 of 3)

FutureFit Assist: EV Charging - Now Live!

- Participation summary:
  - 379 sites/owners have received information
  - 48 direct conversations
  - 3 active participants, including two member agencies—Sunnyvale and Gilroy

- Concierge support to multifamily and small/medium business to install EV charging – education through installs

- SVCE will continue to adapt this offering based on lessons learned

- Apply at: svcleanenergy.org/ev-charging-assist/
6. EV Programs (3 of 3)

Priority Zone DC Fast Charging Incentives Program Application Window Closed on September 30

- Provides incentives on top of CALeVIP for sites located near select multifamily housing clusters
- SVCE currently reviewing applications and will select winning sites
- Builds relationships with charger developers, multifamily owners and residents
- Part of SVCE's multi-program support for multifamily EV market transformation

Additional information online at: https://www.svcleanenergy.org/dcfastchargers/
7. Lights On Silicon Valley

- Partnership with Sunrun that will lead to resilience for thousands of SVCE customers (at single- and multi-family homes) by installing solar+storage systems
- Batteries form "virtual power plant" (VPP) to provide energy to the grid when not in use for back-up power
- Customers receive $1,250 up-front rebate for enrolling in the VPP program
- Ads and outreach by Sunrun commencing soon
- Interested customers can sign up online at: svcleanenergy.org/lights-on-sv/
8. Customer Resource Center - eHub

- eHub provides online tools for the community to learn about, see the value of, and take action to transition to electric vehicles and appliances as well as solar with storage.

- Approved with Decarb Roadmap
  - $350k approved with Roadmap
  - $250K annually for ongoing operation in FY2021, FY2022

- eHub, together with the ZappyRide, Enervee and PickMySolar online tools, is live and can be accessed on the redesigned SVCE website. Over the next several months, eHub will continue to be refined. Marketing activities to build community awareness began in September with advertising and promotional activities to encourage online usage to be launched in time for the holidays.
9. Innovation Programs (1 of 3)

- **GridShift: EV Charging** pilot launching now
- Telematics (wireless) smart charging pilot with ev.energy from Fall 2019 cohort of Innovation Onramp
- ~150-200 participant pilot running from Oct 2020-Mar 2021
- Pilot may be expanded to full program, contingent on results

https://www.svcleanenergy.org/gridshift-ev/
9. Innovation Programs (2 of 3)

How will GridShift improve your at-home charging?

- Charges your car when electricity is the cheapest, by automatically linking to your EV rate.

- Aligns your charge with renewable energy on the grid, for the cleanest charge possible.

- Uses any charger you have, and wirelessly connects your car with no extra hardware or cost required.

- ‘Set it and forget it’ – set your ‘ready by’ time, then plug your car in and GridShift takes care of the rest! If you need an immediate charge, boost your charging at anytime.
How It Works

From October 2020 – March 2021 users will have access to the GridShift app. Users will connect GridShift to their EV, set a time when they want their vehicle to be charged by each day, and plug in their vehicle as they normally do.

Eligibility

As the pilot program begins, the app is only available to Volkswagen and Tesla drivers who are on the SVCE/PG&E EV-A, EV-B or EV-2A rate. Participation will be limited to the first 200 eligible applicants.
10. Other Updates

• SVCE supported five concept proposals to CEC’s BESTFIT Innovative Charging Solutions grant. Requests for full proposals announced in Fall 2020.

• SVCE spoke at the Net Zero 2020 conference on Sept 16 on clean energy and electrification policies for zero emissions at scale.

• SVCE spoke at the New Energy Nexus webinar “Exploring Commercialization Pathways” on SVCE’s innovation-focused activities.
# 1. Outreach Events & Sponsorships

SVCE is supporting and engaging in virtual and distanced events, meetings and competitions to continue to reach the community.

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>NA</td>
<td>Farmworker COVID Testing and Food Distribution – <em>supplies and resources donation</em></td>
<td>Gilroy Arturo Ochoa Migrant Center</td>
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<tr>
<td>Sept. 24</td>
<td>5:30PM</td>
<td>City of Morgan Hill Town Hall Meeting – <em>presentation on SVCE resiliency programs</em></td>
<td>Virtual</td>
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<tr>
<td>Oct. 3</td>
<td>6 PM</td>
<td>State of the City and Drive-In Movie – <em>supplies donation</em></td>
<td>Saratoga High School</td>
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<td>Oct. 5</td>
<td>4 - 5:30 PM</td>
<td>Housing Trust Silicon Valley On the House – <em>sponsor</em></td>
<td>Virtual</td>
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<tr>
<td>Oct. 8</td>
<td>5 - 6:15 PM</td>
<td>Pivotal Silicon Valley Mix Masters Fundraiser – <em>sponsor</em></td>
<td>Virtual</td>
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</table>
1. Outreach Events & Sponsorships (Continued)

Past and upcoming events:

<table>
<thead>
<tr>
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<th>Time</th>
<th>Description</th>
<th>Location</th>
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<tbody>
<tr>
<td>Oct. 9</td>
<td>7 - 8 PM</td>
<td>Sierra Club Loma Prieta Guardians of Nature Benefit – sponsor</td>
<td>Virtual</td>
</tr>
<tr>
<td>Oct. 22</td>
<td>7 - 8:30 PM</td>
<td>GreenTown Los Altos Fall Fundraiser - sponsor</td>
<td>Virtual</td>
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<td>Oct. 30</td>
<td>3 – 5 PM</td>
<td>Drive-Thru Mobile Resource Fair – supplies and resources donation</td>
<td>Milpitas Barbara Lee Senior Center</td>
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<td>Oct. 1-31</td>
<td>Ongoing</td>
<td>Los Altos Arts &amp; Wine Festival – sponsor</td>
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Past and upcoming events:
## 2. Customer Participation

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<tr>
<th></th>
<th>Participation Rate</th>
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<tbody>
<tr>
<td>Residential</td>
<td>96.25%</td>
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<tr>
<td>Commercial</td>
<td>96.34%</td>
<td>96.26%</td>
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</table>
3. Update - Statewide TOU Transition

• Per the CPUC, all residential ‘tiered rate’ customers will be transitioned to a TOU rate plan

• All PG&E T&D customers in Santa Clara County were originally scheduled to transition in October 2020

• Due to PG&E bankruptcy and wildfire season concerns, PG&E postponed our transition to June 2021

• In March 2021, TOU rates for all commercial customers will shift from a noon-6pm peak to a 4-9pm peak
4. Member Agency Working Group Update

The monthly MAWG meeting was held virtually on September 24th immediately before the SVTEC meeting and was attended by eleven different agencies and organizations with a total of 20 participants.

The following agenda items were presented and discussed:

• Building Decarb Joint Action Plan Update
• Innovation Onramp Program: GridShift EV Charging

The meeting was then adjourned, so that MAWG members could attend the SVTEC meeting in the following hour.
5. SVTEC Meeting Update

The Silicon Valley Transportation Electrification Clearinghouse (SVTEC) meeting took place virtually on September 24, 2020.

Twenty-two different stakeholder organizations (including local jurisdictions, EVSE companies, C&I customers, PG&E and local non-profits) tuned-in and discussed the following agenda items:
- New partnership between EVgo & GM and what it means for EV charging in our territory
- Member funding needs survey and discussion
- Updates on EV permitting streamlining and utility interconnection fact-finding
- New EV charger measurement & verification regulation
6. Latest SVCE News

- **New Online Resources to Aid Consumers With Fighting Climate Change**, *Press Release*, 09-23-20
- **$35 Million Electric Vehicle Charging Station Incentive Project Launches in Santa Clara County**, *Press Release*, 09-16-20
- **Common Questions About California’s Recent Power Emergencies**, *SVCE Community News*, 09-15-20
- **San José Mayor and L.A. Supervisor Call for CPUC “Exit Fee” Reform**, *Press Release*, 09-01-20

7. Media

- **Reach codes lead to passionate public comment at council meeting**, *Los Altos Town Crier*, 09-29-20
7. Media (Continued)

- **Electric car charging station funds come to Santa Clara County**, Cupertino Today, 09-25-20
- **City strikes a compromise over push for natural gas ban**, The Daily Post, 09-23-2020
- **Monterey Bay Community Power changes name, unveils new renewable goals**, New Times San Luis Obispo, 09-17-20
- **$28 Million Electric Vehicle Charging Program Launches in California**, Environmental Leader, 09-16-20
- **Los Altos to vote on natural gas ban next week**, The Daily Post, 09-14-20
- **US developer secures 15-year PPA for 400 MW of PV, 180 MW/540 MWh of storage**, list.solar, 09-11-20
- **8minute Solar Energy inks contract for one of the nation’s largest solar + storage project**, PV Magazine, 09-10-20
- **Opinion: Bay Area is fighting the real blackout culprit — climate change**, The Mercury News, 09-02-20
As the first month after the end of the legislative session, September can sometimes be a quiet month in the policy world. However, the continuing aftermath of the August blackouts and several long-awaited developments on the regulatory side ensured that was not the case this year.

- A CPUC study, which recommends Direct Access providers demonstrate compliance with IRP, RA and RPS requirements before any Direct Access expansion occur (no earlier 2024) made a belated debut at the end of September.
- PG&E filed the expected trigger Application for a mid-year PCIA increase.
- The Assembly Utilities and Energy Committee will be holding an investigative hearing on the August rolling blackouts on October 12th. Prior to the hearing, the California Independent System Operator, CPUC, and California Energy Commission are expected to release a joint report detailing the cause of the outages.
- Further out, the release of updated schedules in the IRP and RA proceedings confirmed busy months ahead in both of those key proceedings.
  - Commission processing of the IRPs submitted in September will now include a special focus on resources needed to replace the Diablo Canyon nuclear plant, which could result in a new mandate for additional procurement by early 2021.

Regulatory Ratesetting, Short- and Long-Term

The process of setting the 2021 PCIA is in full swing and we now await a scoping ruling that will set the scope and schedule of the proceeding. The annual cycle in which PG&E updates both its generation rates and the PCIA (called the Energy Resource Recovery Account or ERRA Forecast proceeding) typically begins on June 1st of every year. This year, due to a combination of the disruptions caused by COVID-19 and the delayed ending of the previous cycle, this start date was pushed back to July 1st. PG&E filed its Application (A.20-07-002) with initial rate forecasts on July 1st, 2020, a Supplemental Testimony on July 17th and an Amended Application on August 14th. As with previous ERRA Forecast proceedings, SVCE is participating jointly with a group of other CCAs in PG&E’s service territory. CCA staff and consultants have reviewed PG&E’s testimony and workpapers with the usual purpose of identifying accounting errors or costs that have been misallocated. On August 5th, the Joint CCAs filed a protest to PG&E’s application and on August 17th PG&E issued a Reply to the Protest agreeing to a $26 million reduction in revenue requirement. The CPUC held a prehearing conference on 8/13 to discuss scope and schedule. As of now the official timeline of launching the 2021 PCIA on January 1st has not been altered but given the late start and the 5-month delays in the past two cycles a similar delay in 2021 is very likely.

As discussed in previous updates, the 2020 PCIA that went into effect on May 1st is lower than it would have otherwise been due the implementation of a new cap on year-to-year PCIA increases. The cap reduces rate volatility by preventing the PCIA from increasing more than 0.5¢/kWh in one year. However, that also reduces the rate at which PG&E accumulates the total amount of money the CPUC has authorized it to collect through the PCIA each year. If the undercollection reaches 7% and is
projected to reach 10% of the total PCIA revenue requirement, PG&E can increase the PCIA mid-year to make up the difference. PG&E filed a PCIA Trigger Application on 9/28 noting that the 7% trigger had been reached and proposing to collect the entire balance over 12 months in 2021. This would add about 0.6¢/kWh to the 2021 PCIA on average.

SVCE also remains actively engaged in PG&E’s 2019 ERRA Compliance proceeding (A.20-02-009). As with the ERRA Forecast proceeding discussed above, the ERRA Compliance proceeding happens annually. This version’s purpose is to ensure that PG&E implemented 2019 rates in accordance with the 2019 ERRA Forecast decision, and to identify any discrepancy between PG&E’s 2019 revenue requirement and its actual collected revenues so that the appropriate true-up amount can be added to or subtracted from the 2021 rates. The Joint CCAs’ early engagement in the proceeding was complicated by difficulty accessing the data required for substantive review of PG&E’s performance. PG&E’s evasive response to several Joint CCA data requests resulted in CPUC staff convening a workshop on data transparency on May 6th, and the struggle for access to critical data is ongoing on both the regulatory and legislative sides of SVCE’s policy work. However, the Joint CCAs were able to access enough information to file testimony on July 10th identifying $175.3M of reductions that should be made to the amount charged to customers in 2021. PG&E has subsequently agreed to $110M of that, leaving roughly $65.3M contested that must be resolved by the end of the proceeding. On August 14th the CPUC issued an amended scoping ruling and PG&E filed its rebuttal to protests and response to its application. The Joint CCAs are in discussions with PG&E to settle on uncontested items and will submit briefs on the items still contested on 10/19.

Finally, SVCE continues to participate jointly with other CCAs in the two phases of PG&E’s 2020-2022 General Rate Case (GRC). In Phase 1 (A.18-12-009), the CPUC establishes PG&E’s total revenue requirement for the three-year period. We are waiting for a Proposed Decision in Phase 1 of PG&E’s GRC. Phase 2 (A.19-11-019) of the GRC is where the revenue requirement approved in Phase 1 is divided among the various classes of customer (residential, commercial, industrial, etc.). Phase 2 of PG&E’s current GRC began in November 2019 with PG&E’s opening application. The Joint CCAs filed a Protest on 1/10/20, PG&E replied on 1/21/20. On 5/15 PG&E filed an updated testimony which did not impact the Joint CCA issues. Testimony is due 11/20/20.

Reliability, aka Resource Adequacy (RA)

Resource Adequacy is the main program the CPUC uses to protect grid reliability and ensure that there is enough generating capacity on the system to meet peak demand. We currently have two proceedings open.

The older proceeding (R.17-09-020) is primarily focused now on designing a central buyer (known as a Central Procurement Entity or CPE) for Local RA. Since the 6/25 Decision that made PG&E and Southern California Edison the CPEs in their respective service territories, CalCCA and PG&E have been co-chairing the working group tasked with deciding unresolved questions about how existing long-term RA contracts should be treated and how LSEs can get meaningful credit for Local RA capacity they procure and show to the CPE. The working group report is due was presented to the CPUC on 9/1/20 and now awaits Commission action.

In the newer RA proceeding (R.19-11-009), with Tracks 1 and 2 fully resolved, attention has turned to the blue-sky RA program reform that is the focus of Track 3. The switch from gas to renewables has made
the RA program’s current sole focus on the hour of peak demand insufficient to ensure grid reliability. When the grid was powered mostly by fossil resources that could run 24x7, if there was enough capacity to meet peak demand one could reasonably assume that there would be enough in all other hours as well. However, many renewable resources do not run 24x7, so some of the capacity available during the hour of peak demand may not be during other hours where demand remains high but is slightly below the peak. As California’s grid decarbonizes, it becomes more important to develop a reliability framework that looks at all hours of the day, so that the variability of certain renewables neither prevents them from being valued when they are available nor becomes a threat to reliability when they’re not.

On 8/7/20, stakeholders submitted proposals for how the RA program could do a better job of ensuring reliability outside the hour of peak demand that is currently its sole focus. CalCCA submitted a joint proposal with Southern California Edison that would introduce an energy accounting component to complement the program’s current capacity requirement. All parties have been reviewing the proposals, and on 9/23/20 the Commission issued a revised schedule for evaluating, refining, and gathering stakeholder feedback on them. The remainder of 2020 will be spent on workshops and other opportunities for discussion. A final Decision on RA program reform, which is expected to majorly change the program and its impacts on SVCE procurement, is now forecasted for June 2021.

**GHG Reduction Planning, aka Integrated Resource Planning/Plan (IRP)**

With individual Load-Serving Entities’ (LSEs’) IRPs submitted on September 1, 2020, the review and aggregation process has begun at the Commission. CPUC staff will spend the fall reviewing and aggregating them to determine California’s GHG emissions trajectory if all LSEs procure according to their IRPs. CPUC staff have already asked all LSEs for some adjustments to the IRP materials in order to facilitate the aggregation process. SVCE staff are complying with these requests and expect the iteration process to continue for the next few months.

On 9/24/20 the Commission released an updated Scoping Memo in the IRP proceeding that provides more detail on what to expect from the IRP process in the coming year, especially regarding additional mandated procurement. As expected, the process of aggregating the IRPs and assessing the entire sector’s progress on GHG reduction goals will take time, and is not expected to be complete until the end of 2021. In the meantime, however, staff will be conducting additional analysis in parallel to identify any additional resources needed to ensure a smooth transition when the Diablo Canyon nuclear plant goes offline in 2024-2025. The results of this analysis are scheduled for release in January 2021, and the Commission could finalize an additional procurement mandate to fill any perceived gaps as soon as May 2021. SVCE will be actively involved in the stakeholder process around this analysis and will incorporate its outcomes into internal procurement planning along with keeping the Board updated.

**Direct Access (DA)**

*SB 237* (Hertzberg, 2018) expanded CA’s DA program by 4,000 GWh and required the CPUC to conduct a study on the implications of fully reopening DA to all nonresidential electricity customers in the state. SVCE has been leading CalCCA’s involvement in SB 237’s implementation proceeding at the CPUC, where Commission staff were supposed finish the study and submit it to the legislature by 6/1/20. The draft study, originally set to be released on 3/9/20, was issued on 9/28/20. The study recommends that the Electric Service Providers demonstrate compliance with IRP, RA and RPS requirements before any DA
expansion can occur, thus making 2024 the earliest that DA could reopen. CalCCA is drafting comments in response to the study and will file those on 10/16/20. The Study will inform a subsequent CPUC decision on DA. Although the delay in the study prevented any legislation in 2020, it remains a strong possibility in 2021. Since the program was not fully subscribed in 2021, the remaining capacity will be offered in 2022. PG&E has yet to share the estimated amount of load that will depart in 2022.

Power Charge Indifference Adjustment (PCIA) Reform

Apart from the annual PCIA-setting that happens in the ERRA Forecast proceedings, the PCIA reform proceeding is dedicated to improving the methodology the ERRA uses to calculate the PCIA. This proceeding is also examining some deeper reforms such as allocation of excess investor-owned utility (IOU) resources directly to the CCAs and other load serving entities who’s customers pay the PCIA. The proceeding has three working groups, each tackling a different set of issues. Working Group 1 got a Decision on the first half of its issues in October 2019 and a second one on remaining issues in March 2020. The second Decision notably requires the IOUs to show the PCIA as a separate line item on all customer bills by 1/1/21. This should facilitate more meaningful comparison between SVCE and PG&E generation rates since the PCIA already appears separately on SVCE customer bills. The IOUs submitted Advice Letters proposing how to implement a PCIA line item on bundled customer bills on August 31st and fall 2020 will be spent on finalizing this process. The Joint CCAs are coordinating with PG&E on their proposal. CalCCA and AREM / DACC filed a joint response to the IOU Advice Letters noting that the proposed changes are an essential first step towards true comparability for bundled and departed load customer bills and need to be changed in a timely manner.

Working Group 2, which examined options for CCAs to prepay the PCIA if they choose, received a Final Decision on 8/6. The Decision defines a process by which CCAs could prepay their PCIA, eliminating PCIA volatility and uncertainty in future years while recovering the cost of the prepayment from their customers in a manner of their choosing. The CCA would have to enter negotiations with the appropriate IOU on the amount, payment timeline, and other terms and present these to the CPUC for approval in a joint application. The CPUC could then approve or reject the Application even if both the CCA and IOU support it.

While the Decision is a step in the right direction, the process it defines will make completion of PCIA prepayment deals difficult. The Decision gives the IOUs no requirement or fundamental incentive to enter such deals, so the negotiations leading up to the joint application are likely to be difficult. The Decision also allows the IOUs to charge a risk premium on prepayment deals in order to account for the possibility of PCIA forecasting error, increasing the cost of the prepayment option for CCAs. Another issue with the Decision is that it would require a CCA seeking prepayment to pay for IOU administrative costs associated with the application and even if the application is not approved. However, one positive aspect of the Decision is that it implicitly confirms that the IOUs are capable of providing longer-term PCIA forecasts than they have previously supplied, because a long-term PCIA forecast is necessary to determine the prepayment amount. If these longer-term PCIA forecasts are developed for prepayment purposes, there is potential for them to eventually be incorporated into broader PCIA planning. CalCCA filed comments on the PD on 7/20 and reply comments on 7/27. CalCCA is meeting with other stakeholders like the Direct Access Customer Coalition as it considers filing a petition to modify the Decision.
Working Group 3, addressing the aforementioned resource allocations, submitted its final report to the CPUC on 2/21/20. The report includes proposals for allocating GHG-free resources, RPS resources, and system/flex/local RA from the IOUs’ portfolios to CCAs on a voluntary or involuntary basis (depending on the resource type). Discussions around these issues are ongoing, and CalCCA along with Working Group 3 co-chairs Southern California Edison and Commercial Energy continue to meet with CPUC staff to explain the positions in the report. The working group leads are also in discussions with PG&E. A final Decision from the Commission on these allocation proposals was originally expected in Q2 2020, and is now expected before the end of 2020.

Legislative
With the window for Governor Newsom to sign bills ending on 9/30/20, the 2020 legislative process is officially ended. SVCE’s legislative efforts are now focused on planning for 2021, both internally and as part of the broader CCA community. The Ad Hoc Committee of the Board for Legislative and Regulatory Responses to Industry Transition held its final meeting on 9/25/20, and its closing report is included on this month’s consent agenda. Finally, the Assembly Utilities and Energy Committee will be holding an investigative hearing on the August rolling blackouts on 10/12/20. Prior to the hearing, the California Independent System Operator, CPUC, and California Energy Commission are expected to release a joint report detailing the cause of the outages.
<table>
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<tr>
<th>OCTOBER 2020</th>
<th>NOVEMBER 2020</th>
<th>DECEMBER 2020</th>
<th>JANUARY 2021</th>
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<td><strong>Board of Directors, October 14:</strong></td>
<td>Board of Directors, November 13:</td>
<td>Board of Directors, December 9:</td>
<td>Board of Directors, January 13:</td>
</tr>
<tr>
<td>Consent</td>
<td>Consent</td>
<td>Consent</td>
<td>Consent</td>
</tr>
<tr>
<td>Minutes</td>
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<tr>
<td>Regular Calendar</td>
<td>Regular Calendar</td>
<td>Regular Calendar</td>
<td>Regular Calendar</td>
</tr>
<tr>
<td>Long term duration storage super JPA</td>
<td>Outgoing Board member recognition</td>
<td>Incoming Board member recognition</td>
<td>Chair/Vice Chair Selection</td>
</tr>
<tr>
<td>Building Decarb Joint Action Plan</td>
<td></td>
<td></td>
<td>Executive Committee member selection</td>
</tr>
</tbody>
</table>

**Executive Committee, October 23:**

TBD

**Executive Committee, November/December meeting: Nov. 23, 11 a.m.:**

TBD

**Executive Committee, December: N/A**

**Executive Committee, January: Date TBD**
<table>
<thead>
<tr>
<th>Date</th>
<th>Meeting Where Requested</th>
<th>Request/Comment</th>
<th>Comments for Board Report</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/25/2020</td>
<td>Executive Committee</td>
<td>Rent Relief / Concessions for new suite 330</td>
<td>To be discussed with landlord once move completed</td>
<td>Finance &amp; Admin</td>
</tr>
<tr>
<td>8/28/2020</td>
<td>Executive Committee</td>
<td>Inquiry of cost of overhead in program administration if master service agreements were extended (Dir. Sinks)</td>
<td>Information on programs budget spending will be included in an upcoming quarterly programs update</td>
<td>Decarb and Grid Innov.</td>
</tr>
<tr>
<td>8/28/2020</td>
<td>Executive Committee</td>
<td>Is there a way of knowing how responsible SVCE customers were in responding to the request to conserve energy (August) and is there a way to see patterns of energy consumption amongst cities that shared the information (T. Eulo)</td>
<td>It would be very difficult to compare the impact of general messaging across jurisdictions; if direct messaging (e.g. via email) were done in the future, it may be possible to conduct A/B testing to determine the relative impact of messaging</td>
<td>Account Services &amp; Comm</td>
</tr>
<tr>
<td>8/28/2020</td>
<td>Executive Committee</td>
<td>Time of Use update request (Dir. Gibbons)</td>
<td>Included in Account Services and Community Relations Update for October 2020</td>
<td>Account Services &amp; Comm</td>
</tr>
<tr>
<td>8/28/2020</td>
<td>Executive Committee</td>
<td>Policy check regarding duration of contracts before they go back out to bid (Dir. Gibbons)</td>
<td>Purchasing Policy does not currently have a formal duration limit; will update Purchasing policy pending discussion with new CFO</td>
<td>Finance &amp; Admin</td>
</tr>
<tr>
<td>8/12/2020</td>
<td>BOD Meeting</td>
<td>Budget dollars for equity programs (Dir. Martinez Beltran)</td>
<td>The Decarb Analyst position SVCE is recruiting will be devoting approximately 50% time on equity and will be bringing forward potential recommendations to enhance equity in SVCE’s programs portfolio in 2021.</td>
<td>Decarb and Grid Innov.</td>
</tr>
<tr>
<td>6/10/2020</td>
<td>BOD Meeting</td>
<td>Look into demand-side management programs with a vendor diagnostic solution (Dir. Sinks)</td>
<td>Staff is currently evaluating this type of program through an Innovation Onramp pilot program (agreement is in progress)</td>
<td>Decarb and Grid Innov.</td>
</tr>
<tr>
<td>6/10/2020</td>
<td>BOD Meeting</td>
<td>Diversity in wind for future contracts (Dir. Sinks)</td>
<td>Staff is taking this into consideration for future contracts</td>
<td>Power Supply</td>
</tr>
<tr>
<td>4/8/2020</td>
<td>BOD Meeting</td>
<td>Include footnotes in Power Content Label to clarify nuclear power for SVCE (if shown)</td>
<td>Nuclear will first appear on SVCE PCL in 2021</td>
<td>Account Services &amp; Comm</td>
</tr>
<tr>
<td>3/11/2020</td>
<td>BOD Meeting/Executive Committee</td>
<td>Electricity Utility User Tax - Idea from Bruce Kanney and request from Alt. Dir. Eulo to explore</td>
<td>Evaluation of a differential UUT is included as a proposed activity in the Building Decarb Joint Action Plan that will go to the BOD in November</td>
<td>Account Services &amp; Comm</td>
</tr>
<tr>
<td>2/24/2020</td>
<td>Executive Committee</td>
<td>Built Environment expansion - Include engineers and members of the Construction Specifications Institute (Dir. Gibbons)</td>
<td>The updated Building Decarb Plan that will go to the BOD in Nov incorporates edits to reflect this request</td>
<td>Decarb and Grid Innov.</td>
</tr>
</tbody>
</table>
Staff Report – Item 3

Item 3: Approve Amended SVCE Strategic Plan

From: Girish Balachandran, CEO

Prepared by: Andrea Pizano, Board Clerk/Executive Assistant

Date: 10/14/2020

RECOMMENDATION
Staff recommends the Board of Directors approve the amended SVCE Strategic Plan.

BACKGROUND
SVCE’s Strategic Plan was first adopted in June of 2017. Since then, the plan has undergone an annual review and approval process.

In 2019, Staff received feedback from the Board to shorten the plan and streamline its focus. The amendments to this year’s Strategic Plan incorporated input from staff, the Member Agency Working Group (MAWG), advocates, staff, and the Board. Updates on the progress of this amendment have been brought to the following Board and Committee meetings:
- May 22nd, 2020 Executive Committee
- June 10th, 2020 Board of Directors
- June 26th, 2020 Executive Committee (verbal update)
- August 12th, 2020 Board of Directors
- August 28th, 2020 Executive Committee
- September 9th, 2020 Board of Directors

The Board adopted the following 5 strategic focus areas for the next year:
- Additional Resources & Efficiencies
- Enterprise-wide systems, metrics & tools
- Focus on Equity
- Digital Pivot – Customer & Community engagement
- Community Outreach and leverage

ANALYSIS & DISCUSSION
The attached updated Strategic Plan does the following:
- The five strategic focus areas have been incorporated
- Shortens the strategic plan document by half
- Goals have been increased from 13 to 19
- Strategies and Tactics have been reduced from 146 to 61 Measures

Staff has engaged in various internal organization-wide meetings to discuss and develop an accompanying work plan that complements the goals and measures listed; this will be a document used internally and revisited monthly. The Board will receive two progress updates in the next 9 months.

STRATEGIC PLAN
These amendments would replace the existing Strategic Plan.
ALTERNATIVES
None.

FISCAL IMPACT
There is no fiscal impact as a result of approving the amended SVCE Strategic Plan.

ATTACHMENT
1. Proposed Amended SVCE Strategic Plan
SVCE Mission
Reduce dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community

Measure of Meeting the Mission
SVCE, working with SVCE member agencies, aspires to achieve energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030

SUMMARY:
SVCE was founded to address climate change, the greatest existential threat of our time. We will play a vital role in this decades-long endeavor, with the ongoing support of our community and our Board. In addition to the most complex, expensive, and regulated sector of providing carbon-free electricity, we are reinvesting in our region and expanding our toolset for furthering emissions reductions by launching decarbonization and grid innovation programs. These programs represent the next stage in SVCE’s maturity and are the mechanism by which SVCE will further engage our communities to achieve our mission.

We embody the entrepreneurial and innovative spirit of the community in which we live and work, the spirit of Silicon Valley, to bend the carbon curve downwards and improve the lives of our community members. This means taking calculated risks and demonstrating novel approaches that have the potential to make big impacts – our results serve to inform, inspire, and influence the rest of the market to achieve outsized results.

We prioritize collaborating with our peers and stakeholders to broaden our impact, for instance by forming regional efforts; widely disseminating results (including negative ones) so that others can learn from our experience; and, building on the promising approaches pioneered by others.
**STRATEGIC PLAN GOALS:**
1. Build and maintain a high-performing team
2. Maintain an enjoyable and rewarding workplace
3. Get great at prioritizing, and rebalancing to align work plan with higher level goals
4. Plan for resources to meet SVCE’s mission while balancing multiple stakeholder objectives
5. Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner
6. Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives
7. Ensure SVCE adopts the appropriate tools, systems, and resources to support portfolio optimization, risk management, load forecasting, compliance, and settlements
8. Work with the community to plan and track achieving energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030
9. Coordinate development of decarbonization strategy, lead design of local policy and programs, and support program deployment
10. Empower customers with the awareness, knowledge and resources needed to make effective clean energy choices
11. Engage a full range of public, private, and non-profit stakeholders to leverage our decarbonization efforts
12. Enact competitive service offerings and programs that deliver measurable environmental and economic benefits
13. Commit to maintaining a strong financial position
14. Empower organization-wide financial decision making with data, systems, processes, and infrastructure
15. Engage regulators, legislators and local electeds in developing policies that protect CCA customer investments and furthers decarbonization, grid reliability, affordability, and social equity
16. Encourage the development of regulations that proactively support the changing, evolving energy market and facilitate innovation
17. Influence policy makers by building and leveraging local electeds, diverse stakeholders, and regional agencies
18. Ensure SVCE’s Information Technology infrastructure is secure, reliable, and disaster resilient to provide 24/7/365 online access
19. Enable data-driven decision-making across the organization

**2020-21 BOARD STRATEGIC FOCUS AREAS:**
During the period from May-September 2020, the Board identified and approved 5 Focus Areas for the next year. This table shows the strategic plan goals where we address these focus areas.

<table>
<thead>
<tr>
<th>2020-21 Strategic Focus Areas</th>
<th>Related Strategic Plan Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Resources &amp; Efficiencies</td>
<td>Goals 1, 2, 3, 17</td>
</tr>
<tr>
<td>Enterprise-wide systems, metrics &amp; tools</td>
<td>Goals 7, 14, 18, 19</td>
</tr>
<tr>
<td>Focus on Equity</td>
<td>Goals 4, 8, 10, 11, 15</td>
</tr>
<tr>
<td>Digital Pivot - Customer &amp; Community Engagement</td>
<td>Goals 10, 11, 12</td>
</tr>
<tr>
<td>Community Outreach and Leverage</td>
<td>Goals 8, 9, 11, 17</td>
</tr>
</tbody>
</table>
FUNCTIONAL NARRATIVES AND MEASURES:

A. WORKPLACE & HOW WE GET WORK DONE
Achieving SVCE’s ambitious and urgent mission require a team capable of meeting the tremendous challenges embedded in these goals. SVCE develops and fosters a diverse and talented team that thrives in a dynamic and fast-changing environment. As such, we recruit and retain smart, passionate, innovative, and collaborative employees. We contribute, as a team and as individuals, to continuously building and supporting a culture of collaboration and trust. We encourage creativity and the free flow of ideas to spur innovation. The workplace environment is adaptable, and technology enabled to drive innovative solutions. We emphasize focus and prioritization across departments to achieve quality, rather than simply quantity of output. We provide a rewarding workplace experience where productivity can be maintained across a variety of work environments. We provide opportunities for growth, engagement, and support professional and personal development. We offer opportunities that position our people, as well as SVCE, for success.

<table>
<thead>
<tr>
<th>Goal (We will ..)</th>
<th>Measures by achieving ..</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Build and maintain a high performing team</td>
<td>1. Develop and refine hybrid workplace policies as community situation evolves. Survey employees at least twice during the year soliciting ideas to make the hybrid work arrangement rewarding.</td>
</tr>
<tr>
<td>2. Maintain an enjoyable and rewarding workplace</td>
<td>2. Establish and update administration policies and procedures to enable all employees to work effectively. Employees surveyed at least once per year and we will strive to obtain an employee satisfaction survey result of at least 4 out of 5</td>
</tr>
<tr>
<td>3. Get great at prioritizing, and rebalancing to align work plan with higher level goals</td>
<td>3. Revisit workplans quarterly and review inter-departmental dependencies; Assess programs and projects at mid-year budget cycle for priority, and elevate or demote appropriately</td>
</tr>
</tbody>
</table>

B. POWER SUPPLY
SVCE’s Power Resource Team is responsible for planning, acquiring, and managing power supply resources to meet the community’s clean energy goals and state-mandated power and reliability requirements. This is done through a balanced approach which considers cost, risk, long-term value, and best-fit in meeting community goals. This requires sustainable planning, innovative thinking, prudent risk management and the constant search for the best solutions. Going forward, to be successful SVCE must adapt to new climate and social challenges; customer specific needs; support region-wide decarbonization and electrification goals; integrate distributed energy resources; collaborate and leverage opportunities for joint procurement; and become technology and data driven.

<table>
<thead>
<tr>
<th>Goals (we will ..)</th>
<th>Measures by achieving ..</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Plan for resources to meet SVCE’s mission while balancing multiple stakeholder objectives</td>
<td>1. Expand on 2021-30 IRP and evaluate merits of achieving 100% Clean Energy by increasing RPS to 75% RPS by 2030, or sooner, and need to balance carbon-free resources with load (annually, monthly and 24x7) - Q3 ’21</td>
</tr>
<tr>
<td></td>
<td>2. Expand on 2021-30 IRP and evaluate developing a Preferred Resource Adequacy Policy/Goal and set a target of meeting 50% of system RA needs via long-term resources to ensure sustainable, clean and preferred source of resources (RPS, DR, DER, local and storage) to provide grid reliability (Clean RA goal) Q2 ’21</td>
</tr>
</tbody>
</table>
5. **Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Annually achieve SVCE 100% Clean goals (50% RPS and 50% carbon-free, non-RPS); exceed long-term RPS mandate of 65% by 5% per Compliance Period; and exceed storage mandates - by end of each compliance period and calendar year.</td>
</tr>
<tr>
<td>2.</td>
<td>Meet SVCE’s standard retail rate product offerings (i.e., GreenPrime and GreenStart) and assist in the development of sustainable, strategic and risk managed GreenPrime Direct and other Commercial Industrial custom product offerings and response to potential expansion of Direct Access. Annually and on-going</td>
</tr>
<tr>
<td>3.</td>
<td>Seek and integrate local &amp; preferred utility-scale and behind the meter resources into procurement plans and activities Q3 ’21</td>
</tr>
<tr>
<td>4.</td>
<td>Pursue joint procurement of cost effective renewable, resource adequacy and long-duration storage resources with other CCAs and public power partners</td>
</tr>
</tbody>
</table>

6. **Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Manage Net Revenue at Risk by reducing annual supply cost risk exposure (be within 95-105% of budgeted Supply Cost) by hedging within Energy Risk Management tolerance bands and ensuring a viable and creditworthy set of power supply counterparties</td>
</tr>
<tr>
<td>2.</td>
<td>Implement power prepay structure to achieve 8 to 10% annual cost savings from RPS power purchase agreements and/or carbon-free market transactions.</td>
</tr>
<tr>
<td>3.</td>
<td>Transition to using AMI for scheduling and settlements to reduce forecasting error and integrate DERs and dynamic and/or TOU rates. February 2021</td>
</tr>
<tr>
<td>4.</td>
<td>Analyze and implement super peak hedging strategies and alternatives (e.g., customer DR, supplier call options, virtual tolls, hourly hedges) for summer 2021 and 2022 by March 2021</td>
</tr>
<tr>
<td>5.</td>
<td>Develop coordinated operating and scheduling coordination agreements and solar plus storage bidding strategy with CCCE to ensure optimal use and dispatch of RPS resources.</td>
</tr>
</tbody>
</table>

7. **Ensure SVCE adopts the appropriate tools, systems, and resources to support portfolio optimization, risk management, load forecasting, compliance, and settlements**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Issue an Energy Trade Management System RFP to monitor and report risk and manage supplier transaction positions, counterparty headroom and power supply settlements – July 2021</td>
</tr>
<tr>
<td>2.</td>
<td>Issue a portfolio modeling/optimization system/tools RFP to meet long-term portfolio, risk and resource valuation needs for implementation starting in Q2 2022 – July 2021</td>
</tr>
<tr>
<td>3.</td>
<td>Develop a load forecasting plan to meet scheduling, procurement, planning and compliance related load forecasting needs – March 2021</td>
</tr>
</tbody>
</table>

C. **DECARBONIZATION & GRID INNOVATION PROGRAM PLANNING & TRACKING**

SVCE’s Decarbonization & Grid Innovation team is a data-driven, analytical powerhouse responsible for leading the design and development of comprehensive strategies, local policies, and programs to drive carbon out of Santa Clara County in an equitable and scalable manner. We take calculated risks to demonstrate novel technologies, programs, and approaches that have the potential to scale. This enables us to achieve outsized results. We take an integrated and collaborative approach that ties together our power supply, mobility, the built environment, energy efficiency and grid integration, which enables us to address key technical, economic and policy barriers to achieving deep decarbonization. We leverage partnerships, foster innovation, and use data science to develop
programs that provide value to our customers and community, and are scalable and transferable beyond our borders.

<table>
<thead>
<tr>
<th>Goals (We will ...</th>
<th>Measures by achieving ...</th>
</tr>
</thead>
</table>
| 8. Work with the community to plan and track achieving energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030 | 1. Carry out annual GHG emissions inventory by source, sector to track progress toward meeting climate goals, and support Member Agencies with their inventory  
2. Update sector-specific analyses on an approximately biennial basis (e.g. Buildings Baseline Study, DER/electrification potential) to inform the development and updates to strategies for achieving decarb targets  
3. Develop and track relevant additional sector specific KPIs (e.g. # of gas accounts, square footage of all-electric buildings, DER deployment, etc. by municipality, sector, SEVI quartile, etc.)  
4. Lead local policy & program design efforts of programs portfolio in close collaboration with ASCR to help seamless and successful implementation.  
  a. C&I clean power offerings  
  b. Building programs  
  c. EVI programs  
  d. Resilience program  
  e. Innovation programs  
5. Lead development of proposal to Board in 2021 for how SVCE will approach equity in our programs portfolio and achieving decarb targets  
6. Support equity-related activities on other teams (e.g. Power Supply supplier diversity requirements, ASCR for targeted comms/outreach)  
7. Develop and track KPIs for measuring how we are doing re innovation & partnerships  
8. Build out customer segmentation capabilities to permit enhanced targeting of programs and messages |

D. ACCOUNT SERVICES, CUSTOMER & COMMUNITY, PROGRAM DEPLOYMENT

Core to SVCE’s mission is delivery of high-value clean energy services and programs for our customers, who range from individual residents and small businesses to some of the world’s largest and most innovative tech companies. By providing reliable and responsive carbon-free electricity service at competitive rates, SVCE maintains a high customer participation rate and a strong financial foundation. Access to carbon-free electricity has helped our communities take a major step in fighting climate change, reducing local emissions by more than 20%. Yet supplying clean electricity is just the start.

To be the ‘provider of choice’ and meet longer-term community decarbonization goals, SVCE must continue to provide competitive energy services, and innovative programs or large scale electrification in transportation and the built environment. These must be well-tailored to the needs of our customers, including those traditionally underserved or difficult to reach, and large commercial customers with access to many other providers.
It is essential that SVCE engages our 270,000+ residential and commercial electricity customers in the electrification journey and taking the necessary next steps. To do so, SVCE must continue to inspire and educate customers, and enable relevant action. This means expanding awareness and becoming a trusted advisor for electrification and leveraging direct digital engagement with customers via the web, email, and hosted online services. Supporting information and tools must be engaging, factual and easy to understand – and useful to a full range of SVCE stakeholders, including community leaders, local elected officials, labor, and private sector partners.

Given the scale of the challenge, effective public communication will be critical. This includes regular communications to key stakeholder groups, and more broadly, telling the essential ‘stories’ behind electrification and decarbonization. To win hearts and minds, SVCE must work to illustrate the full range of social, environmental, and economic benefits and consequences at stake. In addition, SVCE must cultivate customer and stakeholder relationships in a leveraged way - using an array of channels that bring value to all segments of the communities we serve. These channels include our member agencies, and regular SVCE community stakeholder forums for transportation and building electrification.

<table>
<thead>
<tr>
<th>Goal (we will)</th>
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</tr>
</thead>
</table>
| 10. Empower customers with the awareness, knowledge and resources needed to make effective clean energy choices | 1. Conduct and communicate baseline SVCE customer awareness and needs survey, by SEVI quartile  
2. Scale SVCE’s digital customer engagement capabilities, and conduct 3+ full-scale direct email communications campaigns, plus focused customer email campaigns – totaling 1M+ outbound messages  
3. Engage 20,000+ new unique visitors to SVCE eHub resources  
4. Conduct two pilot online retail promotions  
5. Deploy the ‘Switch is On’ building electrification awareness advertising campaign locally to achieve 1M+ impressions |
| 11. Engage a full range of public, private and non-profit stakeholders to leverage our decarbonization efforts | 1. Deliver online training for 1,500 qualified contractors and skilled labor  
2. Work with new government affairs role to expand communication and outreach through MAWG, and all local elected officials  
3. Develop strategic communications ‘narratives’ for L&R and industry audiences (e.g. decarb, power supply and innovation) |
| 12. Enact competitive service offerings and programs that deliver measurable environmental and economic benefits | 1. Sign non-standard pricing agreements with two or more large C&I customers and develop plan for potential direct access expansion.  
2. Support further reach code adoption and enhancement by member agencies, and ongoing all-electric building technical design assistance  
3. Support EVI programs to reserve or utilize funding for installation of 500 L2 chargers and 75 DCFC chargers; to the extent possible, continue to target multifamily, local government, and small business use cases  
4. Complete community energy resilience planning, analysis, and support project; support completion of 3 capex projects, and reserve funding for additional 7 projects  
5. Launch selected Building Decarbonization Joint Action Plan programs |

**E. FINANCE AND FISCAL RESPONSIBILITY**

Maintaining a sound financial position requires the consistent implementation of disciplined fiscal strategies and policies. SVCE is committed to managing its financial resources responsibly by setting a high standard of transparency, accountability, efficiency, and strong stewardship. At SVCE, our
commitment to fiscal and operational excellence will ensure that all processes are clearly defined and efficiently designed to achieve maximum productivity by aligning people, systems, and policies. Adherence to sound fiscal policies and active risk management will help respond to unexpected volatility, maintain a high credit rating and a healthy position in delivering customer value.

<table>
<thead>
<tr>
<th>Goals (We will ...)</th>
<th>Measures by achieving ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. Commit to maintaining a strong financial position</td>
<td>1. Balanced budget that achieves cash reserve targets and maintains customer value</td>
</tr>
<tr>
<td>14. Empower organization-wide financial decision making with data, systems, processes, and infrastructure</td>
<td>2. Set balanced rates that maintain customer value and support SVCE’s financial stability</td>
</tr>
<tr>
<td></td>
<td>3. Unqualified audit opinion</td>
</tr>
<tr>
<td></td>
<td>4. Maintain investment grade credit rating from one of the 3 credit rating agencies</td>
</tr>
<tr>
<td></td>
<td>5. Board presentation on 5-year financial forecast twice a year</td>
</tr>
<tr>
<td></td>
<td>6. Provide effective risk management and financial control functions</td>
</tr>
</tbody>
</table>

F. REGULATORY & LEGISLATIVE POLICY

The regulatory and legislative processes wield critical influence over SVCE’s ability to serve our customers and fulfill our core goals and mission. SVCE proactively promotes a stable, long-term regulatory infrastructure that supports our vision to decarbonize and electrify the grid. SVCE will work to align regulatory and legislative directives with SVCE’s mission, incentivize resources that decarbonize the grid, and serve our customers’ needs within the evolving energy market.

SVCE will actively engage with the regulatory and legislative stakeholders to enhance our ability to mitigate greenhouse gas emissions, protect the large investments made by SVCE on behalf of our customers, minimize rate volatility, encourage regulatory certainty and help build a policy framework that supports innovation in an equitable and cost-effective manner. SVCE will promote policies that encourage customers to adopt clean energy choices, transportation electrification, and transition to future fit buildings. SVCE will leverage relationships and build coalitions with organizations with common goals to amplify our message and influence policy. SVCE will use its unique ties to communities and the power of its elected officials to support decarbonization on the state and local level.

<table>
<thead>
<tr>
<th>Goal (We will...)</th>
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</tr>
</thead>
<tbody>
<tr>
<td>15. Engage regulators, legislators and local electeds in developing policies that protect CCA customer investments and further decarbonization, grid reliability, affordability, and social equity</td>
<td>1. Board adopted policy platform updated each calendar year.</td>
</tr>
<tr>
<td></td>
<td>2. Update Ad Hoc Legislative and Regulatory Committee focus areas for the year</td>
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<tr>
<td></td>
<td>3. District meetings with all legislators at least once per year</td>
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<tr>
<td></td>
<td>4. Monthly updates to the Board on legislative and regulatory affairs</td>
</tr>
<tr>
<td></td>
<td>5. Coordinate supplier diversity activities</td>
</tr>
<tr>
<td>16. Encourage the development of regulations that proactively support the changing, evolving</td>
<td>1. Actively advocate in proceedings, initiatives and dockets that facilitate reform in high-impact policy areas including, but not limited to, Resource Adequacy, Power Charge Indifference Adjustment and Direct Access.</td>
</tr>
<tr>
<td>energy market and facilitate innovation</td>
<td>2. Proactively develop a plan that facilitates innovation in demand-side management and/or promotes an open access distribution system that allows information to be shared among a variety of market participants. 3. Identify and work with 1 to 3 legislative champions who support our positions related to an energy market that supports the growth of CCAs.</td>
</tr>
<tr>
<td>17. Influence policy makers by building and leveraging local electeds, diverse stakeholders, and regional agencies</td>
<td>1. Develop training materials and provide briefings as needed to bring new local and state electeds up-to-speed on relevant policies. 2. Identify and partner with local/regional businesses, community-based organizations, trade associations to share and amplify our message with regulators and the Legislature. 3. Request Board Approval for Government Relations Analyst – November 2020</td>
</tr>
</tbody>
</table>

**G. DATA ANALYTICS, GOVERNANCE & INFORMATION TECHNOLOGY**

SVCE is committed to addressing the challenges of delivering IT services in a dynamic environment with new regulations and continuous advancements in science and technology. We take customer information, privacy, and security seriously. Our systems and processes follow best practices and industry standards. Performance metrics are in place to ensure resiliency and high system availability on standard and mobile platforms, supporting staff wherever they work from. Regular upgrades to IT resources ensure continued data security, efficient data access, and support the transition to a more digital outreach and community engagement model. As the volume of data generated by the organization’s activities expands, IT is focused on enabling greater analysis and utilization of the data available, while ensuring its security and confidentiality.

We understand that data is key to achieving our mission. We develop and apply proper data governance to establishes standards, policies, and processes to ensure effective data management throughout the enterprise, to build and maintain availability, usability, consistency, integrity, and security of data. Through data science, we advance key data-intensive business cases to inform programs and other departments’ activities to achieve our common mission.

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<th>Goals (we will ..)</th>
<th>Measures by achieving ...</th>
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<tr>
<td>18. Ensure SVCE’s Information Technology infrastructure is secure, reliable, and disaster resilient to provide 24/7/365 online access</td>
<td>1. Conduct annual IT audit to assess information security at both the policy and technology (software and hardware) levels and implement all critical recommendations 2. Ensure appropriate processes and resources are in place to allow for business continuity through disasters and disruptions 3. Continue staff training to prevent unauthorized system access and/or data loss through spoofing, phishing, and hacking</td>
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<td>19. Enable data-driven decision-making across the organization</td>
<td>1. Establishing/managing the Data Governance Committee &amp; data governance “strategic plan” 2. Identify and evaluate IT infrastructure improvements to enhance collaboration 3. Gather and assess all departments’ needs and connect staff to available data and tools 4. Seek out and integrate additional data sources to enhance data-driven insights</td>
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Staff Report – Item 4

Item 4: Adopt Resolution to Authorize the Chief Executive Officer to Enter Into Legal Services Agreements with Orrick, Herrington & Sutcliffe and Chapman & Cutler in Connection with Energy Prepayment Transaction

From: Girish Balachandran, CEO

Prepared by: Monica Padilla, Director of Power Resources
               Don Rhoads, Interim CFO

Date: 10/14/2019

RECOMMENDATION
Adopt Resolution 2020-30 authorizing the Chief Executive Officer (CEO) to negotiate and execute Legal Services Agreements with the following firms for legal representation on SVCE’s and EBCE’s proposed energy prepayment transaction:

- Orrick, Herrington & Sutcliffe – roles of Bond Counsel and Tax Counsel
- Chapman & Cutler LLP – roles of Disclosure Counsel and Issuer’s Counsel

BACKGROUND
The Chief Executive Officer (CEO) and staff have been evaluating the benefits of participating with East Bay Community Energy (EBCE) in an Energy Prepayment Transaction. The CEO made a presentation on this proposal at the September Board meeting and advised the Board that staff would be returning with action items at following meetings. The CEO also has made presentations on this transaction to the Executive Committee and Finance & Administration Committee. Specialized legal services are required to be retained as part of the energy prepayment transaction that is being considered by SVCE and EBCE.

ANALYSIS AND DISCUSSION
An energy prepayment – or ‘prepay’ – is a long-term financial transaction available to municipal utilities and tax-exempt entities such as CCAs that enables a meaningful power procurement cost savings opportunity. Utilizing the municipal bond market, a tax-exempt Load Serving Entity (LSE, also called “Prepay Buyer”) and a taxable financial counterparty (a bank, called “Prepay Supplier”) enter into a 30-year agreement through which the LSE assigns power supply contracts to the Prepay Supplier. The tax-exempt bonds are issued by a third-party conduit to raise funds for the prepay transaction, which flow to the Prepay Supplier. The Prepay Supplier pays the contract price to the PPA provider, while the LSE pays the Prepay Supplier at a discounted rate. The discounted rate is agreed upon in the prepay documents and is based in part on the spread between the taxable and tax-exempt bond interest rates. The market availability of this interest rate spread is critical to the savings opportunity available to an LSE through a prepay.

If the prepay program terminates early for any reason – either the Prepay Supplier or the LSE fail to perform – the LSE forgoes future savings and the assigned PPA is transferred back to the LSE. Two key features of the municipal bonds utilized in a prepay greatly reduce risk to the LSE. First, the bonds are non-recourse to the LSE, meaning they are neither secured nor guaranteed by the LSE and SVCE will at no point be responsible for repaying the bonds. Secondly, prepay is off balance sheet for the LSE as the bonds are issued by a third-party conduit and arranged by the Prepay Supplier.
SVCE and EBCE jointly issued a solicitation in November 2019 to identify potential Prepay Suppliers, through which Morgan Stanley was shortlisted and selected. The two CCAs also jointly issued a solicitation in June 2020 for legal counsel, through which Orrick, Herrington & Sutcliffe and Chapman & Cutler LLP were selected as the two best proposals. Both firms have significant experience representing parties on prepay transactions since the market inception in the 1990s, and both firms are industry leaders in serving the roles for which they have been selected for the energy prepayment transaction.

The prepay transaction requires the selection and involvement of multiple parties. Names and functions are as follows:

**Prepay Buyer**: SVCE and EBCE, jointly
- **Role**: Provide energy contracts to flow through prepay

**Prepay Seller**: Morgan Stanley
- **Role**: Structure transaction and pay contract price to PPA provider
- **Note**: No legal obligation or liabilities are being entered into currently; approval of counsel allows SVCE and EBCE to negotiate documents with Morgan Stanley for which staff will later return to the Board for approval of the official prepay transaction and associated bond issuance.

**Municipal Advisor**: TBD, active solicitation in process
- **Role**: Advise Prepay Buyer in negotiations; required by Municipal Securities Rulemaking Board (MSRB)

**Bond Counsel**: Orrick, Herrington & Sutcliffe
- **Role**: Represent bondholders

**Tax Counsel**: Orrick, Herrington & Sutcliffe
- **Role**: Provide tax opinion on transaction

**Issuer’s Counsel**: Chapman & Cutler LLP
- **Role**: Represent issuer’s interests, support drafting and negotiating terms of prepay agreement and associated energy supply agreements

**Disclosure Counsel**: Chapman & Cutler LLP
- **Role**: Prepare Official Statement / Prospectus

**Bond Issuer**: A conduit JPA
- **Role**: Issue municipal bonds for prepay
- **Note**: A conduit JPA made up of CCA’s for the issuance of bonds is in the process of being formed and will be subject to the approval of the Board. At this point, planned founding member CCAs are: Silicon Valley Clean Energy, Marin Clean Energy, East Bay Community Energy, and Central Coast Community Energy (formerly Monterey Bay Community Power).

With the Board’s approval of legal counsel, program structuring, document drafting and negotiations with Morgan Stanley will commence. Draft documents for Board review and approval are anticipated to be completed by the end of the calendar year.

When the conduit JPA is formed, the legal services agreements will be assigned to the JPA and the legal fees will be paid as follows:

- **Bond and Tax Counsel (Orrick)**: $400,000
  - Contingent on a successful prepay execution and paid from the bond proceeds
- **Issuer’s Counsel and Disclosure Counsel (Chapman)**: $235,000
  - Contingent on a successful prepay execution and paid from the bond proceeds. If the transaction does not close, fees will be charged by Issuer’s and Disclosure Counsel at an hourly rate of $750/hour up to a maximum out of pocket cost of $30,000 that would be shared by SVCE and EBCE. Thus, the maximum obligation to SVCE if the prepay transaction does not close is $15,000. If the transaction closes, SVCE will be paying no legal fees.

**ATTACHMENT**

1. Resolution 2020-30 Authorizing the Chief Executive Officer to Enter Into Legal Services Agreements with Orrick, Herrington & Sutcliffe and Chapman & Cutler LLP for the Proposed Energy Prepayment Transaction
SILICON VALLEY CLEAN ENERGY AUTHORITY
RESOLUTION NO. 2020-30

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO ENTER INTO LEGAL SERVICES AGREEMENTS WITH ORRICK, HERRINGTON & SUTCLIFFE AND CHAPMAN & CUTLER LLP FOR THE PROPOSED ENERGY PREPAYMENT TRANSACTION

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, in order to achieve a significant reduction in power procurement costs, Authority and East Bay Community Energy (EBCE) are considering entering into an energy prepayment transaction involving the issuance of tax-exempt bonds by a third party conduit agency for which there would be no recourse against the Authority; and

WHEREAS, specialized legal counsel is required to draft the necessary documents for such transaction; and

WHEREAS, Orrick, Herrington & Sutcliffe and Chapman & Cutler LLP were respectively selected as proposed legal counsel through a solicitation issued jointly with EBCE in June 2020.

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

Section 1. The Chief Executive Officer is hereby authorized to negotiate and execute Legal Services Agreements with the following firms for legal representation on Authority’s energy prepayment transaction: Orrick, Herrington & Sutcliffe – roles of Bond Counsel and Tax Counsel, and Chapman & Cutler LLP – roles of Disclosure Counsel and Issuer’s Counsel. If the prepay transaction is executed and closes, the legal fees for both law firms shall not exceed $635,000 and shall be paid from the bond proceeds. If the prepay transaction is not executed, legal fees shall be paid on an hourly fee basis to only Chapman & Cutler in an amount not to exceed $30,000 that will be shared equally with EBCE.
PASSED AND ADOPTED this 14th day of October 2020, by the following vote:

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________________________________________
Chair

ATTEST:

________________________________________
Andrea Pizano, Board Secretary
Staff Report – Item 5

Item 5: Long-Duration Storage and Super JPA Formation Update

From: Girish Balachandran, CEO

Prepared by: Andrea Pizano, Board Clerk/Executive Assistant

Date: 10/14/2020

This item will be addressed in the form of an oral report and presentation to the Board of Directors.
Silicon Valley Clean Energy
Board of Directors Meeting

October 14, 2020

Appendix A

Power Resource Contracts Executed by CEO
IMPORT CAPABILITY
TRANSFER CONFIRMATION
LETTER BETWEEN
3 PHASES RENEWABLES INC.
AND
SILICON VALLEY CLEAN ENERGY

This confirmation letter including all appendices hereto (“Confirmation”) confirms the Transaction between 3 Phases Renewables Inc. (“Seller”) and Silicon Valley Clean Energy, a California joint powers authority (“Buyer”), each individually a “Party” and together the “Parties”, dated as of August 26, 2020 (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 Confirmation is governed by the terms and conditions of the WSPP Agreement effective as of January 25, 2020, along with any schedules and amendments thereto (collectively, the “Master Agreement”). The Master Agreement and this Confirmation shall be collectively referred to herein as the “Agreement.” If there is any conflict between the terms set forth in this Confirmation and the Master Agreement, the terms set forth in this Confirmation shall govern. Capitalized terms not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement or the Tariff (defined herein below).

ARTICLE 1
TRANSACTION

1.1 Product

Seller shall sell and transfer to Buyer, and Buyer shall purchase and receive from Seller, the Remaining Import Capability (the “Product”), at the Delivery Points in the amount of the Contract Quantity at the Contract Price for the Delivery Period.

1.2 Delivery Period and Term

(a) Delivery Period. The Delivery Period is [Blank] through [Blank], 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 that the Parties’ obligations under this Confirmation have been satisfied. This Confirmation shall be effective and binding as of the Confirmation Effective Date.

1.3 Contract Quantity, Contract Price, and Delivery Point

For the Delivery Period, Seller shall transfer the Product to Buyer in the amount as follows (the “Contract Quantity”), at the Contract Price, and for the following Delivery Points as specified in the table below:
ARTICLE 2
DELIVERY OBLIGATIONS

2.1. **Delivery**

Within three (3) Business Days from the Confirmation Effective Date, Seller shall transfer the Product to Buyer by registering the transfer with CAISO as a Bilateral Import Transfer Capability in the amount of the Contract Quantity for the applicable Contract Month, and completing any other action or documentation required by the CAISO to effect such transfer (the “Registration”).

2.2. **Buyer’s Re-Sale of Product**

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

ARTICLE 3
PAYMENT

3.1 **One-Time Payment**

Buyer shall make a One-Time Payment to Seller for the Product in accordance with Section 9 of the Master Agreement.

The One-Time Payment is calculated as follows:

\[
\text{One-Time Payment} = \sum_{i}^{n} (A_i \times B_i \times 1,000)
\]

where:

- \(A_i\) = Contract Price (in $/kW-month) for Contract Month \(i\)
- \(B_i\) = Contract Quantity \(i\) (in MW) transferred by Seller for Contract Month \(i\)
- \(i\) = Each Contract Month
- \(n\) = number of Contract Months

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

3.2 **Offset Rights**

Either Party may offset any amounts owing to it for revenues, penalties, fines, costs reimbursement, or other payments pursuant to Section 9 of the Master Agreement against any
future amounts it may owe to the other Party.

**ARTICLE 4**
**CONFIDENTIALITY**

Notwithstanding Section 30 of the Master Agreement, the Parties agree that:

(a) This Confirmation is subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.);

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

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

(d) provided, that each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Authority or the CAISO to further disclose such information. In addition, in the event Buyer resells all or any portion of the Contract Quantity to another party, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction.

**ARTICLE 5**
**COLLATERAL REQUIREMENTS**

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

**ARTICLE 6**
**GENERAL PROVISIONS**

6.1 **Governing Law**

Section 24 of the WSPP Agreement is deleted and replaced with the following: “This WSPP Agreement and any Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of law.”

6.2 **Counterparts**

This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the counterparty were upon a single instrument. Delivery of an executed signature page of this Confirmation by electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.
6.3 **Entire Agreement; No Oral Agreements or Modifications**

This Confirmation sets forth the terms of the Transaction into which the Parties have entered and shall constitute the entire Agreement between the Parties relating to the contemplated purchase and sale of the Product. Notwithstanding any other provision of the Agreement, this Confirmation may be entered into only by a Documentary Writing executed by both Parties, and no amendment or modification to this Confirmation shall be enforceable except through a Documentary Writing executed by both Parties.

6.4 **Joint Powers Authority**

Purchaser is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (California Government Code Sections 6500 et seq.) and is a public entity separate and distinct from its members. Purchaser shall solely be responsible for all of such Party’s debts, obligations and liabilities accruing and arising out of this Confirmation. Seller shall have no rights and shall not make any claim, take any actions or assert any remedies against any of the Purchaser’s members, any cities or counties participating in Purchaser’s community choice aggregation program, or any of Purchaser’s retail customers in connection with this Confirmation.

Acknowledged and agreed to as of the Confirmation Effective Date.

### 3 PHASES RENEWABLES INC.

By: [Signature]

Name: Eric Hulin

Date: 8/27/2020

### SILICON VALLEY CLEAN ENERGY

By: [Signature]

Name: Girish Balachandran

Date: 8/27/2020
APPENDIX A
DEFINED TERMS

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

“Applicable Laws” means any constitutions, treaties, laws, ordinances, rules, regulations, interpretations, permits, judgements, decrees, injunctions, writs and orders of any Governmental Authority having jurisdiction over one or both Parties, this Transaction, or the terms of this Agreement.

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

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

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

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

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

“CEC” means the California Energy Commission.

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

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

“Contract Month” means the month during the Delivery Period as set forth in the Contract Quantity Table specified Section 1.03.

“Contract Price” has the meaning specified in Section 1.04.

“Contract Quantity” has the meaning specified in Section 1.03. “CPUC” means the California Public Utilities Commission.

“Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt or deposit obligations (not supported by third party credit enhancements) by S&P or Moody’s. If no rating is assigned to such entity’s unsecured, senior long-term debt or deposit obligations by any Ratings Agency, then “Credit Rating” means the general corporate credit rating or long-term issuer rating assigned to such entity by S&P or Moody’s. If an entity is rated by more than one Ratings Agency and the ratings are at different levels, then “Credit Rating” means the lowest such rating.
“Delivery Period” has the meaning specified in Section 1.02(a).

“Delivery Point” has the meaning specified in Section 1.05.

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

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

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

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

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

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

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

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

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

“One-Time Payment” has the meaning specified in Section 3.01.

“NOB” means the CAISO Branch Group corresponding to the CAISO Intertie NOB_ITC.

“Palo Verde” means the CAISO Branch Group corresponding to the CAISO Intertie PALOVRDE_ITC.

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

“Product” has the meaning specified in Section 1.01.

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

“Registration” has the meaning specified in Section 2.01.

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

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

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

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

“Tariff” means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time.

“Term” has the meaning specified in Section 1.02(b).

“WSPP Agreement” is defined in the introductory paragraph hereof.
IMPORT CAPABILITY
TRANSFER CONFIRMATION
LETTER BETWEEN
3 PHASES RENEWABLES INC.
AND
SILICON VALLEY CLEAN ENERGY

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1.1 Product

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1.2 Delivery Period and Term

(a) Delivery Period. The Delivery Period is [ ] through [ ], 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 that the Parties’ obligations under this Confirmation have been satisfied. This Confirmation shall be effective and binding as of the Confirmation Effective Date.

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2.1. Delivery

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2.2. Buyer’s Re-Sale of Product

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

ARTICLE 3
PAYMENT

3.1 One-Time Payment

Buyer shall make a One-Time Payment to Seller for the Product in accordance with Section 9 of the Master Agreement.

The One-Time Payment is calculated as follows:

\[
\text{One-Time Payment} = \sum_{i}^{n} (A_i \times B_i \times 1,000)
\]

where:

- \( A = \) Contract Price (in \$/kW-month) for Contract Month \( i \)
- \( B = \) Contract Quantity \( i \) (in MW) transferred by Seller for Contract Month \( i \)
- \( i = \) Each Contract Month
- \( n = \) number of Contract Months

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

3.2 Offset Rights

Either Party may offset any amounts owing to it for revenues, penalties, fines, costs reimbursement, or other payments pursuant to Section 9 of the Master Agreement against any future amounts it may owe to the other Party.
ARTICLE 4
CONFIDENTIALITY

Notwithstanding Section 30 of the Master Agreement, the Parties agree that:

(a) This Confirmation is subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.);

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

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

(d) provided, that each disclosing Party shall use reasonable efforts to limit, to the extent possible, the ability of any such applicable Governmental Authority or the CAISO to further disclose such information. In addition, in the event Buyer resells all or any portion of the Contract Quantity to another party, Buyer shall be permitted to disclose to the other party to such resale transaction all such information necessary to effect such resale transaction.

ARTICLE 5
COLLATERAL REQUIREMENTS

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

ARTICLE 6
GENERAL PROVISIONS

6.1 Governing Law

Section 24 of the WSPP Agreement is deleted and replaced with the following: “This WSPP Agreement and any Confirmation shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of law.”

6.2 Counterparts

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

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

6.4 **Joint Powers Authority**

Seller is organized as a Joint Powers Authority in accordance with the Joint Powers Act of the State of California (California Government Code Sections 6500 et seq.) and is a public entity separate and distinct from its members. Seller shall solely be responsible for all of such Party’s debts, obligations and liabilities accruing and arising out of this Confirmation. Buyer shall have no rights and shall not make any claim, take any actions or assert any remedies against any of the Seller’s members, any cities or counties participating in Seller’s community choice aggregation program, or any of Seller’s retail customers in connection with this Confirmation.

Acknowledged and agreed to as of the Confirmation Effective Date.

3 PHASES RENEWABLES INC.  

By:  
Name: Eric Hulin  
Date: 8/27/2020  

SILICON VALLEY CLEAN ENERGY  

By: Girish Balachandran  
Name: Girish Balachandran  
Date: 8/27/2020
APPENDIX A
DEFINED TERMS

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

“Applicable Laws” means any constitutions, treaties, laws, ordinances, rules, regulations, interpretations, permits, judgements, decrees, injunctions, writs and orders of any Governmental Authority having jurisdiction over one or both Parties, this Transaction, or the terms of this Agreement.

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

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

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

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

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

“CEC” means the California Energy Commission.

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

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

“Contract Month” means the month during the Delivery Period as set forth in the Contract Quantity Table specified Section 1.03.

“Contract Price” has the meaning specified in Section 1.04.

“Contract Quantity” has the meaning specified in Section 1.03. “CPUC” means the California Public Utilities Commission.

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

Appendix A - 1
“Delivery Period” has the meaning specified in Section 1.02(a).

“Delivery Point” has the meaning specified in Section 1.05.

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

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

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

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

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

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

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

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

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

“One-Time Payment” has the meaning specified in Section 3.01.

“NOB” means the CAISO Branch Group corresponding to the CAISO Intertie NOB_ITC.

“Palo Verde” means the CAISO Branch Group corresponding to the CAISO Intertie PALOVRDE_ITC.

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

“Product” has the meaning specified in Section 1.01.

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

“Registration” has the meaning specified in Section 2.01.

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

Appendix A - 2
“Scheduling Point” has the meaning set forth in the CAISO Tariff.

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

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

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

“Tariff” means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time.

“Term” has the meaning specified in Section 1.02(b).

“WSPP Agreement” is defined in the introductory paragraph hereof.
MASTER POWER PURCHASE AND SALE AGREEMENT
RESOURCE ADEQUACY CONFIRMATION LETTER
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY ("PARTY A")
AND
PACIFIC GAS AND ELECTRIC COMPANY ("PARTY B")

This confirmation letter ("Confirmation") confirms the Transaction between Party A and Party B, which becomes effective 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).


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.

PG&E Resource Adequacy (Log No. 33B230T02)
2020 Multi-Year Resource Adequacy E-Solicitation
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 Competitive Solicitation Process. 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:

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

where:

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

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 made 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 (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.

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;
(e) 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.

5.3 Counterparts

This Confirmation may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered by electronic mail (including pdf or any electronic signature complying with the federal ESIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civ. Code Section 1633.1, et seq.) or other applicable law) or other transmission method and any other counterpart so delivered shall have the same legal effect as an original.

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 Party A Collateral Requirements

(a) Notwithstanding anything to the contrary contained in the Master Agreement, Party A shall, within five (5) Business Days following the Confirmation Effective Date, provide to, and maintain with, Party B a Fixed Independent Amount as long as Party A 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 Party A shall be added to the Exposure Amount for Party B and subtracted from the Exposure Amount for Party A.

(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. 33B230T02)
2020 Multi-Year Resource Adequacy E-Solicitation
(i) Party A’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 Party A’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 Party B has provided Party A with written notice of such failure to satisfy (Condition Notice), then (A) Party A 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 Party B 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

By: Girish Balachandran
Name: Girish Balachandran
Title: CEO
Date: 9/11/2020

Pacific Gas and Electric Company, a California corporation, limited for all purposes hereunder to its Electric Procurement and Electric Fuels Functions

By: ____________________________
Name: Alan Wecker
Title: Manager, Energy Transactions
Date: 9/14/2020
APPENDIX A
DEFINED TERMS

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

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

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

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

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

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

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

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

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

“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.

"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.

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

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

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

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

“Monthly Payment” is defined in Section 3.1 of this Confirmation.

“MW” means megawatt.

“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.

“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.

“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.

“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 EPC” means, with respect to a Unit on any date of determination, the lesser of the Effective Flexible Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.

“Unit NOC” means, with respect to a Unit on any date of determination, the lesser of Net Qualifying Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.

PG&E Resource Adequacy (Log No. 33B230T02)  
2020 Multi-Year Resource Adequacy E-Solicitation
**APPENDIX B**

PRODUCT AND PRICE INFORMATION

Product means Capacity Attributes with the following characteristics.

<table>
<thead>
<tr>
<th>Showing Month and Year</th>
<th>Path (North, South)</th>
<th>RAR Quantity (MW)</th>
<th>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>
</tr>
</thead>
</table>

* Please specify: System, Bay Area, Humboldt, Sierra, Stockton, Fresno, Kern, North Coast/North Bay, LA Basin, Big Creek/Ventura, or PG&E Other.

PG&E Other means capacity coming from any combination of resources in the Humboldt, Sierra, Stockton, Fresno, Kern, and/or North Coast/North Bay Local Areas.
APPENDIX C
SUBSEQUENT SALE INFORMATION

<table>
<thead>
<tr>
<th>Contract Key ID:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefitting LSE SCID:</td>
<td></td>
</tr>
<tr>
<td>Generic Volume (in MW):</td>
<td></td>
</tr>
<tr>
<td>Local Volume (in MW and by local area):</td>
<td></td>
</tr>
<tr>
<td>Flexible Volume (in MW):</td>
<td></td>
</tr>
<tr>
<td>Term:</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX D
NOTICE INFORMATION

Name: Silicon Valley Clean Energy Authority, a California joint powers authority

("Party A")
All Notices:

Delivery Address:
Street: 333 W. El Camino Real Suite 290
City: Sunnyvale  State: CA  Zip: 94087

Mail Address: (if different from above)
Attn: Girish Balachandran, CEO
(email) girish@svcleanenergy.org
Phone: 408 721-5301

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

Scheduling:
Attn: Z-Global
(email) eric@zglobal.biz
Phone: (916) 221-4327

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

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

With additional Notices of an Event of Default to
Contract Manager:
Attn: Girish Balachandran, CEO
(email)
Phone: 408 721-5301
Attn: Steve Hall

Name: Pacific Gas and Electric Company, a California corporation, limited for all purposes hereunder to its Electric Procurement and Electric Fuels Functions

("Party B")
All Notices:

Delivery Address:
Street: 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: Fuel Settlements (egssettlements@pge.com)
Manager, Fuel Settlements
Phone: (415) 973-0795

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

Wire Transfer:
Credit and Collections:
Attn: Credit Risk Management (PGERiskCredit@pge.com)
Phone: (415) 973-5188

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

PG&E Resource Adequacy (Log No. 33B230T02)
2020 Multi-Year Resource Adequacy E-Solicitation
(email) steve@hallenergy.law.com
Phone: (503) 477-9354

Supply Plan Contact: Mark Thomas
(email): mthomas@acespower.com
Phone: (317) 344-7136

Supply Plan and Hold-Back Request:
EPP-RAFilingMailbox@pgc.com
APPENDIX E
FORM OF LETTER OF CREDIT
Issuing Bank Letterhead and Address

STANDBY LETTER OF CREDIT NO. XXXXXXXX

Date: [Insert issue date]

Beneficiary: [Insert Beneficiary name]
[Insert Beneficiary address]

Applicant: [Insert Applicant name]
[Insert Applicant address]

Letter of Credit Amount: [Insert amount]

Expiry Date: [Insert date that is one (1) year from offer date]

Ladies and Gentlemen:

By order of [Insert name of Applicant] ("Applicant"), we hereby issue in favor of [Insert name of Beneficiary] (the "Beneficiary") our irrevocable standby letter of credit No. [Insert number of letter of credit] ("Letter of Credit"), for the account of Applicant, for drawings up to but not to exceed the aggregate sum of U.S. $ [Insert amount in figures followed by (amount in words)] ("Letter of Credit Amount"). This Letter of Credit is available with [Insert name of issuing or paying bank, and the city and state in which it is located] by sight payment, at our offices located at the address stated below, effective immediately, and it will expire at our close of business on [Insert expiry date] (the "Expiry Date").

Funds under this Letter of Credit are available to the Beneficiary against presentation of the following documents (which may be presented by physical delivery or by facsimile, e-mail or other electronic transmission):

1. Beneficiary’s signed and dated sight draft in the form of Exhibit A hereto, referencing this Letter of Credit No. [Insert number] and stating the amount of the demand; and

2. One of the following statements signed by an authorized representative or officer of Beneficiary:

   A. “The amount of the accompanying sight draft under Letter of Credit [Insert number of letter of credit] (the "Draft Amount") is owed to [Insert name of Beneficiary] by [Insert name of Beneficiary’s counterparty under the RA Confirmation] ("Counterparty") under Confirmation for Resource Adequacy Capacity Product for CAISO Resources dated [insert date of the Confirmation] between [Insert name of Beneficiary] and Counterparty, which entitles [Insert name of Beneficiary] to draw the Draft Amount under Letter of Credit No. [Insert number];” or
B. “Letter of Credit No. [Insert number] will expire in thirty (30) days or less and [Insert name of Beneficiary’s counterparty under the RA Confirmation] has not provided replacement security acceptable to [Insert name of Beneficiary].”

Special Conditions:

1. Partial and multiple drawings under this Letter of Credit are allowed;
2. All banking charges associated with this Letter of Credit are for the account of the Applicant;
3. This Letter of Credit is not transferable;
4. A drawing for an amount greater than the Letter of Credit Amount is allowed, however, payment shall not exceed the Letter of Credit Amount; and
5. The Expiry Date of this Letter of Credit shall be automatically extended without amendment for a period of one year and on each successive Expiry Date, unless at least sixty (60) days before the then current Expiry Date, we notify you by registered mail or courier that we elect not to renew this Letter of Credit for such additional period.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation, on or before the Expiry Date (or after the Expiry Date as provided below), at [Insert bank’s address for drawings].

All demands for payment shall be made by presentation of copies or original documents, or by facsimile, e-mail, or other electronic transmission of documents to [Insert fax number, email or other electronic transmission], Attention: [Insert name of bank’s receiving department] or [Insert e-mail or other electronic transmission address]. If a demand is made by facsimile, e-mail or other electronic transmission, the originals or copies of documents must follow by overnight mail, and you may contact us at [Insert phone number(s)] to confirm our receipt of the transmission. Your failure to seek such a telephone confirmation does not affect our obligation to honor such a presentation.

Our payments against complying presentations under this Letter of Credit will be made no later than on the third (3rd) banking day following a complying presentation.

Except as stated herein, this Letter of Credit is not subject to any condition or qualification. It is our individual obligation, which is not contingent upon reimbursement and is not affected by any agreement, document, or instrument between us and the Applicant or between the Beneficiary and the Applicant or any other party.

Except as otherwise specifically stated herein, this Letter of Credit is subject to and governed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce (ICC) Publication No. 600 (the “UCP 600”); provided that, if this Letter of Credit expires during an interruption of our business as described in Article 36 of the UCP 600, we will honor drafts presented in compliance with this Letter of Credit within thirty (30) days after the resumption of our business and effect payment accordingly.

The electronic copy of this Letter of Credit shall be the operative instrument until such time as the original is received. This Letter of credit can be amended or terminated by facsimile, e-mail or other electronic transmission.
The law of the State of New York shall apply to any matters not covered by the UCP 600.

For telephone assistance regarding this Letter of Credit, please contact us at [Insert number and any other necessary details].

Very truly yours,

[INSERT NAME OF ISSUING BANK]

By: ________________________________  
Name: [Print or type name]  
Title: [Print or type title]
EXHIBIT A
SIGHT DRAFT

TO:
[INSERT NAME AND ADDRESS OF PAYING BANK]

DATE: __________________________

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

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

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

DRAWER:

By:
Name: [Print or type name]
Title: [Print or type title]
MASTER POWER PURCHASE AND SALE AGREEMENT
RESOURCE ADEQUACY CONFIRMATION LETTER
BETWEEN
SILICON VALLEY CLEAN ENERGY AUTHORITY ("PARTY A")
AND
PACIFIC GAS AND ELECTRIC COMPANY ("PARTY B")

This confirmation letter ("Confirmation") confirms the Transaction between Party A and Party B, which becomes effective 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 B

Seller: Party A

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: July 1st, 2021 through August 31st, 2021, inclusive.

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 Competitive Solicitation Process. 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:

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

where:

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

\[
P = \text{The Contract Price for the Showing Month, expressed in dollars per kW-month, as stated in Appendix B}
\]

\[
CF = \text{The conversion factor equal to 1,000 kW per MW}
\]

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

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operator to comply with such Tariff provisions or any penalties or fines imposed on Seller or the Unit’s Scheduling 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.

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;

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(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.

5.3 Counterparts

This Confirmation may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered by electronic mail (including pdf or any electronic signature complying with the federal ESIGN Act of 2000, California’s Uniform Electronic Transactions Act (Cal. Civ. Code Section 1633.1, et seq.) or other applicable law) or other transmission method and any other counterpart so delivered shall have the same legal effect as an original.

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 Party A Collateral Requirements

(a) Notwithstanding anything to the contrary contained in the Master Agreement, Party A shall, within five (5) Business Days following the Confirmation Effective Date, provide to, and maintain with, Party B a Fixed Independent Amount as long as Party A 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 Party A shall be added to the Exposure Amount for Party B and subtracted from the Exposure Amount for Party A.

(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:
Party A’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 Party A’s retail electric customers.

(c) 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 Party B has provided Party A with written notice of such failure to satisfy (Condition Notice), then (A) Party A 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 Party B 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:  
Name: Girish Balachandran  
Title: CEO  
Date: 9/11/2020

By:  
Name: Alan Wecker  
Title: Manager, Energy Transactions  
Date: 9/14/2020
APPENDIX A
DEFINED TERMS

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

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

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

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

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

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

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

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

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

"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.

“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.

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

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

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

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

“Monthly Payment” is defined in Section 3.1 of this Confirmation.

“MW” means megawatt.

“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.

“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.

“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.

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

Product means Capacity Attributes with the following characteristics.

<table>
<thead>
<tr>
<th>Showing Month and Year</th>
<th>Path (North, South)</th>
<th>RAR Quantity (MW)</th>
<th>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 Benefiting LSE</th>
</tr>
</thead>
</table>

* Please specify: System, Bay Area, Humboldt, Sierra, Stockton, Fresno, Kern, North Coast/North Bay, LA Basin, Big Creek/Ventura, or PG&E Other. PG&E Other means capacity coming from any combination of resources in the Humboldt, Sierra, Stockton, Fresno, Kern, and/or North Coast/North Bay Local Areas.
APPENDIX C
SUBSEQUENT SALE INFORMATION

<table>
<thead>
<tr>
<th>Contract Key ID:</th>
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<tbody>
<tr>
<td>Benefiting LSE SCID:</td>
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<tr>
<td>Generic Volume (in MW):</td>
<td></td>
</tr>
<tr>
<td>Local Volume (in MW and by local area):</td>
<td></td>
</tr>
<tr>
<td>Flexible Volume (in MW):</td>
<td></td>
</tr>
<tr>
<td>Term:</td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX D
NOTICE INFORMATION

Name: Silicon Valley Clean Energy Authority, a California joint powers authority

("Party A")
All Notices:
Delivery Address:
Street: 333 W. El Camino Real Suite 290
City: Sunnyvale State: CA Zip: 94087
Mail Address: (if different from above)
Attn: Girish Balachandran, CEO (email) girish@svcleanenergy.org
Phone: 408 721-5301

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

Scheduling:
Attn: Z-Global (email) eric@zglobal.biz
Phone: (916) 221-4327

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

Contract Management
Attn: SVCE Power Settlements (email) SVCEpowersettlements@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
Attn: Steve Hall

Name: Pacific Gas and Electric Company, a California corporation, limited for all purposes hereunder to its Electric Procurement and Electric Fuels Functions

("Party B")
All Notices:
Delivery Address:
Street: 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: Fuel Settlements (egssettlements@pge.com)
Manager, Fuel Settlements
Phone: (415) 973-0795

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

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

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(email) Steve@hallenergylaw.com
Phone: (503) 477-9354

Supply Plan Contact: Mark Thomas
(email): mthomas@acespower.com
Phone: (317) 344-7136

Supply Plan and Hold-Back Request:
EPP-RAFilingsMailbox@pge.com
APPENDIX E
FORM OF LETTER OF CREDIT
Issuing Bank Letterhead and Address

STANDBY LETTER OF CREDIT NO. XXXXXXXX

Date: [Insert issue date]
Beneficiary: [Insert Beneficiary name]
[Insert Beneficiary address]
Applicant: [Insert Applicant name]
[Insert Applicant address]

Letter of Credit Amount: [Insert amount]

Expiry Date: [Insert date that is one (1) year from offer date]

Ladies and Gentlemen:

By order of [Insert name of Applicant] (“Applicant”), we hereby issue in favor of [Insert name of Beneficiary] (the “Beneficiary”) our irrevocable standby letter of credit No. [Insert number of letter of credit] (“Letter of Credit”), for the account of Applicant, for drawings up to but not to exceed the aggregate sum of U.S. $ [Insert amount in figures followed by (amount in words)] (“Letter of Credit Amount”). This Letter of Credit is available with [Insert name of issuing or paying bank, and the city and state in which it is located] by sight payment, at our offices located at the address stated below, effective immediately, and it will expire at our close of business on [Insert expiry date] (the “Expiry Date”).

Funds under this Letter of Credit are available to the Beneficiary against presentation of the following documents (which may be presented by physical delivery or by facsimile, e-mail or other electronic transmission):

1. Beneficiary’s signed and dated sight draft in the form of Exhibit A hereto, referencing this Letter of Credit No. [Insert number] and stating the amount of the demand; and

2. One of the following statements signed by an authorized representative or officer of Beneficiary:

   A. “The amount of the accompanying sight draft under Letter of Credit [Insert number of letter of credit] (the “Draft Amount”) is owed to [Insert name of Beneficiary] by [Insert name of Beneficiary’s counterparty under the RA Confirmation] (“Counterparty”) under Confirmation for Resource Adequacy Capacity Product for CAISO Resources dated [insert date of the Confirmation] between [Insert name of Beneficiary] and Counterparty, which entitles [Insert name of Beneficiary] to draw the Draft Amount under Letter of Credit No. [Insert number];” or

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B. “Letter of Credit No. [Insert number] will expire in thirty (30) days or less and [Insert name of Beneficiary’s counterparty under the RA Confirmation] has not provided replacement security acceptable to [Insert name of Beneficiary].”

Special Conditions:

1. Partial and multiple drawings under this Letter of Credit are allowed;
2. All banking charges associated with this Letter of Credit are for the account of the Applicant;
3. This Letter of Credit is not transferable;
4. A drawing for an amount greater than the Letter of Credit Amount is allowed, however, payment shall not exceed the Letter of Credit Amount; and
5. The Expiry Date of this Letter of Credit shall be automatically extended without amendment for a period of one year and on each successive Expiry Date, unless at least sixty (60) days before the then current Expiry Date, we notify you by registered mail or courier that we elect not to renew this Letter of Credit for such additional period.

We engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation, on or before the Expiry Date (or after the Expiry Date as provided below), at [Insert bank’s address for drawings].

All demands for payment shall be made by presentation of copies or original documents, or by facsimile, e-mail, or other electronic transmission of documents to [Insert fax number, email or other electronic transmission], Attention: [Insert name of bank’s receiving department] or [Insert e-mail or other electronic transmission address]. If a demand is made by facsimile, e-mail or other electronic transmission, the originals or copies of documents must follow by overnight mail, and you may contact us at [Insert phone number(s)] to confirm our receipt of the transmission. Your failure to seek such a telephone confirmation does not affect our obligation to honor such a presentation.

Our payments against complying presentations under this Letter of Credit will be made no later than on the third (3rd) banking day following a complying presentation.

Except as stated herein, this Letter of Credit is not subject to any condition or qualification, It is our individual obligation, which is not contingent upon reimbursement and is not affected by any agreement, document, or instrument between us and the Applicant or between the Beneficiary and the Applicant or any other party.

Except as otherwise specifically stated herein, this Letter of Credit is subject to and governed by the Uniform Customs and Practice for Documentary Credits, 2007 Revision. International Chamber of Commerce (ICC) Publication No. 600 (the “UCP 600”): provided that, if this Letter of Credit expires during an interruption of our business as described in Article 36 of the UCP 600, we will honor drafts presented in compliance with this Letter of Credit within thirty (30) days after the resumption of our business and effect payment accordingly.

The electronic copy of this Letter of Credit shall be the operative instrument until such time as the original is received. This Letter of credit can be amended or terminated by facsimile, e-mail or other electronic transmission.
The law of the State of New York shall apply to any matters not covered by the UCP 600.

For telephone assistance regarding this Letter of Credit, please contact us at [Insert number and any other necessary details].

Very truly yours,

[INSERT NAME OF ISSUING BANK]

By: ________________________________________
Name: [Print or type name]
Title: [Print or type title]
EXHIBIT A
SIGHT DRAFT

TO:
[INSERT NAME AND ADDRESS OF PAYING BANK]

AMOUNT: $_________________________ DATE: _________________

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

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

REMIT FUNDS AS FOLLOWS:

[INSERT PAYMENT INSTRUCTIONS]

DRAWER:

By: __________________________
Name: [Print or type name]
Title: [Print or type title]
WSPP RESOURCE ADEQUACY CONFIRMATION

This Confirmation under the WSPP Agreement confirms the transaction between Central Coast Community Energy, formerly known as Monterey Bay Community Power Authority, a California joint powers authority (“Seller”) and Silicon Valley Clean Energy Authority, a California joint powers authority (“Purchaser”), and each individually a “Party” and together the “Parties”, dated as of September 18, 2020 (the “Effective Date”), by which Seller agrees to sell and deliver, and Purchaser agrees to purchase and receive, the Product (the “Transaction”). This Transaction is governed by the WSPP Agreement dated January 25, 2020 (the “WSPP Agreement”). The WSPP Agreement and this Confirmation, including any applicable appendices, exhibits or amendments thereto, shall be collectively referred to herein as the “Agreement” and will constitute a single agreement between the Parties with respect to the Transaction. Capitalized terms not otherwise defined in this Confirmation or the WSPP Agreement are defined in the Tariff.

ARTICLE 1
TRANSACTION TERMS

Product, Delivery Period, Contract Quantity, Contract Price and other specifics of the Product are in Appendix B. Appendices A, B, C, and D are incorporated into this Confirmation.

☒ Firm RA Product:

Seller shall provide Purchaser with the Product from the Portfolio in the amount of the Contract Quantity. If Seller is not able to provide the full amount of the Contract Quantity from the Portfolio for any reason, then Seller shall have the option to supply Alternate Capacity pursuant to Section 2.3 to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Purchaser with the Contract Quantity and has failed to supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period, then Seller shall be liable for damages and/or required to indemnify Purchaser for penalties or fines pursuant to the terms of Section 2.5.

☐ Contingent Firm RA Product:

Seller shall provide Purchaser with Product from the Portfolio in the amount of the Contract Quantity. If Seller is not able to provide the full amount of the Contract Quantity as a result of any reduction of the Contract Quantity of the Portfolio in accordance with Section 2.2, Seller shall have the option to notify Purchaser that either (a) Seller will not provide the portion of the Contract Quantity attributable to such reduction during the period of such non-availability; or (b) Seller will supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period pursuant to Section 2.3. If Seller is not able to provide the full amount of the Contract Quantity from the Portfolio as a result of any reason other than as provided in Section 2.2, then Seller shall have the option to supply Alternate Capacity pursuant to Section 2.3 to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Purchaser with the Expected Contract Quantity from the Portfolio and has failed to supply Alternate Capacity to fulfill the remainder of the Expected Contract Quantity during such period, then Seller shall be liable for damages and/or required to indemnify Purchaser for penalties or fines pursuant to the terms of Section 2.5.
ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Sale and Delivery of Product

(a) For each Showing Month of the Delivery Period, Seller shall sell and deliver to Purchaser, and Purchaser shall purchase and receive from Seller, the Expected Contract Quantity of the Product from the Shown Unit(s). Seller’s obligation to deliver the Expected Contract Quantity of Product for each day of the Delivery Period is firm and will not be excused for any reason except as excused by an express provision of this Agreement.

(b) Seller shall deliver the Expected Contract Quantity by submitting to CAISO in its Supply Plan the Shown Unit(s) and the characteristics of the Shown Unit(s) and Product for Purchaser, as further specified in Appendix B, all in compliance with this Confirmation.

(c) Seller shall cause all Supply Plans to meet and be filed in conformance with the requirements of the CPUC and the Tariff. Seller shall submit, or cause the Portfolio’s SC to submit, on a timely basis with respect to Purchaser’s annual filing and for each applicable Showing Month, Supply Plans in accordance with the Tariff and CPUC requirements to identify and confirm the Product delivered to Purchaser for each Showing Month of the Delivery Period. The total amount of Product identified and confirmed for each day of such Showing Month shall equal the Expected Contract Quantity.

(d) Seller may sell and deliver Product from each Shown Unit that meets the requirements set forth in Appendix B. In no event shall any Shown Unit utilize coal or coal materials as a source of fuel or be a nuclear generating facility. A Shown Unit must be a specific Proxy Demand Resource or other specific resource that is connected directly to the CAISO controlled grid or under the operational control of CAISO. A Shown Unit may not be an unspecified import. Seller shall identify the Shown Unit(s) and Expected Contract Quantity by providing Purchaser with the specific information contemplated in Appendix B no later than the Notification Deadline for the relevant Showing Month and, if applicable, annual filing.

(e) If CAISO rejects either the Supply Plan or the Resource Adequacy Plan with respect to any part of the Expected Contract Quantity for the Shown Unit(s) in any Showing Month, the Parties shall confer, make such corrections as are necessary for acceptance, and resubmit the corrected Supply Plan or Resource Adequacy Plan for validation before the applicable deadline for the Showing Month and, if applicable, annual filing.
(f) The Product is delivered and received when the CIRA Tool shows that the Supply Plan submitted in compliance with Purchaser’s instructions, including Purchaser’s instructions to withhold all or part of the Expected Contract Quantity from Seller’s Supply Plan for any Showing Month during the Delivery Period, has been accepted for the Product from the Shown Unit(s) by CAISO. Seller has failed to deliver the Product (i) from a Shown Unit if Purchaser has elected to submit the Product from the Shown Unit in its Resource Adequacy Plan and such submission is accepted by the CPUC and the CAISO but the Supply Plan and Resource Adequacy Plan are not matched in the CIRA Tool and are rejected by CAISO notwithstanding performance of Section 2.1(e) or (ii) if Seller fails to submit the volume of Expected Contract Quantity for any Showing Month in such amount as instructed by Purchaser for the applicable Showing Month. Seller will not have failed to deliver the Expected Contract Quantity if Purchaser fails or chooses not to submit the Shown Unit(s) and the Product in its Resource Adequacy Plan with the CPUC or CAISO.

(g) The Shown Unit(s) must not have characteristics that would trigger the need for Purchaser or Seller to file an advice letter or other request for authorization with the CPUC or for Purchaser to make a compliance filing pursuant to California Public Utilities Code Section 380.

2.2 Reductions in Contract Quantity

If Seller is providing Contingent Firm RA Product, 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 Portfolio during the applicable Showing Month for the applicable days of such Planned Outages; provided, (i) Seller notifies Purchaser by the Notification Deadline applicable to that Showing Month of the amount of Product from the Portfolio that Purchaser may include in Purchaser’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 Tariff.

In the event Seller is unable to provide the Contract Quantity for any portion of a Showing Month because of a Planned Outage of a Unit, Seller has the option, but not the obligation, to provide Product for such portions of such Showing Month from Replacement Units, provided Seller provides and identifies such Replacement Units in accordance with Section 2.3.

2.3 Seller’s Option To Provide Alternate Capacity

If Seller is unable to provide the full Contract Quantity for each day of each Showing Month for any reason, including, without limitation, as provided in Section 2.2, or Seller desires to provide some or all of the Contract Quantity for any day of a Showing Month from a resource other than those Units in the Portfolio, then Seller may, at no cost to Purchaser, provide Purchaser with replacement Product from one or more Replacement Units in an amount such that the total amount of Product provided to Purchaser from the Portfolio and any Replacement Unit(s) for each day of the Showing Month is not more than the Contract Quantity, provided that in each case:
(a) Seller shall notify Purchaser in writing of its intent to provide Alternate Capacity from and identify replacement units that (i) have the same Capacity Attributes of the Units in the Portfolio originally identified in Appendix B, (ii) are accepted by the CAISO, and (iii) otherwise that satisfy the requirements of this Agreement (each such unit, a “Replacement Unit”), no later than the Notification Deadline for Purchaser’s Compliance Showings related to such Showing Month and, if applicable, annual filing;

(b) Seller shall, or shall cause the Portfolio’s SC to submit a Supply Plan for each Showing Month and, if applicable, annual filing, no later than the Notification Deadline for Purchaser’s Compliance Showings; and

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

The designation of any Replacement Unit(s) by Seller shall not require Purchaser’s approval so long as such Replacement Unit(s) meet the “product” parameters in Appendix B.

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 deemed part of the Portfolio for purposes of this Confirmation for that Showing Month.

2.4 Planned Outages

As of the Confirmation Effective Date, Seller and Purchaser have agreed to all Planned Outages as specified in Appendix D (“Planned Outage Schedule”) for all relevant Showing Months for the following calendar year, or until the end of the Delivery Period, whichever is shorter. Seller may provide Purchaser with proposed changes to the Planned Outage Schedule from time to time. Within ten (10) Business Days after Purchaser’s receipt of any Seller proposed changes, Purchaser shall notify Seller in writing of any reasonable requests for modifications to such Seller proposed changes, and Seller shall, to the extent consistent with Prudent Operating Practice, accommodate Purchaser’s requests regarding the timing of any Seller proposed changes to the Planned Outage Schedule.

2.5 Purchaser’s Remedies for Seller’s Failure to Deliver Expected Contract Quantity

(a) If Seller fails to deliver any part of the Expected Contract Quantity as required herein for any Showing Month, Seller shall be liable for damages pursuant to Section 21.3 of the WSPP Agreement, without reference to the word “hourly” therein.
(b) Seller shall indemnify, defend and hold harmless Purchaser from any penalties, fines or costs, including Environmental Costs, assessed against Purchaser by the CPUC, CAISO or other Governmental Body resulting from Seller’s failure to deliver the Product or a Shown Unit’s SC’s failure to timely or accurately submit Supply Plans in accordance with the Tariff and this Confirmation. The Parties shall use commercially reasonable efforts to minimize such penalties, fines or costs; provided, that in no event will Purchaser be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties, fines or costs. If Seller fails to pay the foregoing penalties, fines or costs, or fails to reimburse Purchaser for those penalties, fines or costs, then, without prejudice to its other rights and remedies, Purchaser may setoff and recoup those penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation or the WSPP Agreement.

(c) Notwithstanding anything in the Agreement to the contrary, Seller’s liability for failure to deliver any part of the Expected Contract Quantity shall not exceed the amount of damages received by Seller from Leapfrog Power, Inc. for such delivery failure.

2.6 Purchaser’s Re-Sale of Product

(a) Purchaser may re-sell all or part of the Product; provided that no such re-sale shall increase Seller’s obligations hereunder other than as set forth in this Section 2.6(a) or require Seller to have any obligation to a Subsequent Purchaser. For any such a resale, the Resource Adequacy Plan of Purchaser as used herein will refer to the Resource Adequacy Plan of Subsequent Purchaser. Seller shall, or shall cause the Portfolio’s SC, to follow Purchaser’s instructions with respect to providing such resold Product to Subsequent Purchasers, to the extent such instructions are consistent with Seller’s obligations under this Confirmation. Seller shall, and shall cause the Portfolio’s SC, to take all commercially reasonable actions and execute all documents or instruments reasonably necessary to allow such Subsequent Purchasers to use such resold Product in a manner consistent with Purchaser’s rights under this Confirmation. If Purchaser incurs any liability to a Subsequent Purchaser due to the failure of Seller or the Portfolio’s SC to comply with this Confirmation, Seller will be liable to Purchaser for the amounts Seller would have owed Purchaser under this Confirmation if Purchaser had not resold the Product.

(b) Purchaser shall notify Seller in writing of any resale of Product and the Subsequent Purchaser no later than seven (7) Business Days before the Notification Deadline for each Showing Month for which Purchaser has resold the Product. Purchaser shall notify Seller of any subsequent changes or further resales no later than five (5) Business Days before the Notification Deadline for the Showing Month.

(c) If CAISO or CPUC develops a centralized capacity market, Purchaser will have exclusive rights to direct the Seller or the Portfolio’s SC to offer, bid, or otherwise submit the Expected Contract Quantity of Product for re-sale in such market, Seller
and the Portfolio’s SC shall comply with Purchaser’s direction and Purchaser shall retain and receive all revenues from such re-sale.

ARTICLE 3
PAYMENTS

3.1 Payment

Purchaser shall pay for the Product as provided in Article 9 of the WSPP Agreement and this Confirmation; except that, notwithstanding Section 9.4 of the WSPP Agreement, if an invoice or portion thereof is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the objection given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within two (2) Business Days of such resolution along with interest accrued at the Interest Rate from and including the due date to but excluding the date paid. Purchaser shall make a monthly payment to Seller for Product delivered hereunder by the later of (i) ten (10) Calendar Days after Purchaser’s receipt of Seller’s invoice (which may be given upon first day of the Showing Month) and (ii) the twentieth (20th) day of the Showing Month, or if the twentieth (20th) day is not a Business Day the next following Business Day (“Monthly RA Capacity Payment”). The Monthly RA Capacity Payment shall equal the product of (a) the applicable Contract Price for that Showing Month, (b) the amount of Contract Quantity of Product actually delivered by Seller to Purchaser pursuant to and consistent with Section 2.1 and, if applicable, Section 2.3, for the applicable Showing Month and (c) 1,000, rounded to the nearest penny (i.e., two decimal places).

3.2 Allocation of Other Payments and Costs

(a) Seller will receive any revenues from, and must pay all costs charged by, CAISO or any other third party with respect to the Shown Unit(s) for (i) start-up, shutdown, and minimum load costs, (ii) capacity for ancillary services, (iii) energy sales, (iv) flexible ramping product, or (v) black start or reactive power services. Purchaser must promptly report receipt of any such revenues to Seller. Purchaser must pay to Seller any such amounts described in this Section 3.2(a) received by Purchaser or a Subsequent Purchaser. Without prejudice to its other rights and remedies, Seller may setoff and recoup any such amounts that are not paid to it pursuant to this Section 3.2(a) against any amounts owed to Purchaser under the WSPP Agreement.

(b) Purchaser is to receive and retain all revenues associated with the Expected Contract Quantity of Product during the Delivery Period, including any capacity and availability revenues from the Capacity Procurement Mechanism, or its successor, RUC Availability Payments, or its successor, but excluding payments described in Section 3.2(a)(i)-(v) or 3.2(d). Seller shall promptly report receipt of any such revenues to Purchaser. Seller shall pay to Purchaser within thirty (30) days of receipt any such amounts received by Seller, or a Shown Unit’s SC, owner, or operator. Without prejudice to its other rights, Purchaser may set off and recoup
any such amounts that are not paid to it against amounts owed to Seller under the WSPP Agreement.

(c) If CAISO designates any part of the Contract Quantity as Capacity Procurement Mechanism Capacity, then Seller shall, or shall cause the Shown Unit’s SC to, within one (1) Business Day of the time Seller receives notification from CAISO, notify Purchaser and not accept any such designation by CAISO unless and until Purchaser has agreed to accept such designation.

(d) Any Availability Incentive Payments or Non-Availability Charges are for Seller to receive and pay.

ARTICLE 4
OTHER PURCHASER AND SELLER COVENANTS

4.1 CAISO Requirements

Seller shall schedule or cause the Portfolio’s SC to schedule or make available to CAISO the Expected Contract Quantity of the Product during the Delivery Period, in compliance with the Tariff, and perform all, or cause the Portfolio’s SC, owner, or operator to perform all, obligations under applicable law and the Tariff relating to the Product. Purchaser is not liable for, and Seller shall indemnify and hold Purchaser harmless from, the failure of Seller or the Portfolio’s SC, owner, or operator to comply with the Tariff, and for any penalties, fines or costs imposed on Seller or the Portfolio’s SC, owner, or operator for noncompliance.

4.2 Seller’s and Purchaser’s Duties to Take Actions to Allow Product Utilization

Throughout the Delivery Period, Purchaser and Seller shall take all commercially reasonable actions and execute all documents or instruments reasonably necessary to ensure (a) Purchaser’s rights to the Expected Contract Quantity for the sole benefit of Purchaser or any Subsequent Purchaser and (b) that Purchaser may use the Expected Contract Quantity to meet its Compliance Obligations. Such commercially reasonable actions shall include, without limitation cooperating with and providing, and causing each Shown Unit’s SC, owner, or operator to cooperate with and provide, requested supporting documentation to the CAISO, the CPUC, or any other Governmental Body responsible for administering the applicable Compliance Obligations, including to demonstrate that the Expected Contract Quantity can be delivered to the CAISO controlled grid for the minimum hours required to satisfy the Compliance Obligations, as applicable, pursuant to the “deliverability” standards established by the CAISO or other Governmental Body of competent jurisdiction. Seller’s reasonable and documented third party costs associated with taking commercially reasonable actions under this Section 4.2 for the benefit of Subsequent Purchasers shall be reimbursed by Purchaser.

If necessary, the Parties further agree to negotiate in good faith to amend this Confirmation to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by CAISO or an applicable Governmental Body to maintain the benefits of the Transaction.
4.3 **Seller’s Representations and Warranties**

Seller represents and warrants to Purchaser throughout the Delivery Period that:

(a) No part of the Contract Quantity during the Delivery Period has been committed by Seller to any third party to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets;

(b) The Shown Unit(s) qualify to provide the Product under the Tariff, and the Shown Unit(s) and Seller are capable of delivering the Product;

(c) the aggregation of all amounts of Capacity Attributes that Seller has sold, assigned, or transferred for each Shown Unit during the Delivery Period does not exceed the Shown Unit’s Net Qualifying Capacity or, if applicable, the Shown Unit’s Effective Flexible Capacity;

(d) if applicable, Seller has notified either the Portfolio’s SC or the entity from which Seller purchased the Product that Seller has transferred the Contract Quantity of Product for the Delivery Period to Purchaser; and

(e) Seller has notified or will notify the Portfolio’s SC that Purchaser is entitled to the revenues set forth in Section 3.2(b), and such Portfolio’s SC is obligated to promptly deliver those revenues to Purchaser, along with appropriate documentation supporting the amount of those revenues.

4.4 **Market Based Rate Authority**

Upon Purchaser’s written request, Seller shall, in accordance with FERC Order No. 697, submit a letter of concurrence in support of any affirmative statement by Purchaser that this contractual arrangement does not transfer “ownership or control of generation capacity” from Seller to Purchaser as the term “ownership or control of generation capacity” is used in 18 CFR Section 35.42. Seller shall not, in filings, if any, made subject to Order Nos. 652 and 697, claim that this contractual arrangement conveys ownership or control of generation capacity from Seller to Purchaser.

**ARTICLE 5**

**ADDITIONAL WSPP AGREEMENT AMENDMENTS; GENERAL PROVISIONS**

5.1 **Termination Payment**

For this Transaction, the following is inserted as a penultimate paragraph in Section 22.2(b) of the WSPP Agreement:

“If Purchaser is the Non-Defaulting Party and Purchaser reasonably expects to incur or be liable for any penalties, fines or costs from CAISO, or any Governmental Body, because Purchaser or a Subsequent Purchaser is not able to include the applicable Expected
Contract Quantity in a Compliance Showing due to Seller’s Event of Default, then Purchaser may, in good faith and with commercially reasonable practices, estimate the amount of those penalties, fines or costs and include the 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 Purchaser’s estimate exceeds the actual amount of penalties, fines or costs, Purchaser must promptly remit to Seller the excess amount with interest in accordance with Section 9.3 of the WSPP Agreement. 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.”

5.2 Confidentiality

Notwithstanding Section 30.1 of the WSPP Agreement:

(a) (i) Purchaser may disclose information as necessary in order to support its Compliance Showings or otherwise show it has met its Compliance Obligations;
    (ii) Seller may disclose information as necessary to a Shown Unit’s SC or as necessary for Supply Plans; (iii) each Party may disclose information as necessary to the independent evaluator or other administrator of any competitive solicitation process of Purchaser, which in turn may disclose such information as necessary to CAISO or any Governmental Body; and (iv) Purchaser may disclose information to any Subsequent Purchaser.

(b) The Parties acknowledge that each is a public agency subject to the requirements of the California Public Records Act (Cal. Gov. Code section 6250 et seq.).

5.3 Dodd-Frank Act


5.4 Change in Law

If any action by the CPUC, CAISO or any Governmental Body having jurisdiction, or any change in applicable law, occurring after the Confirmation Effective Date results in (i) material changes to Purchaser’s or Seller’s obligations with regard to the Products sold hereunder, (ii) has the effect of changing the transfer and sale procedure set forth in this Confirmation so that the performance of this Confirmation becomes impracticable, or (iii) changes the Resource Adequacy Requirements such that the Product can no longer be counted towards Purchaser’s Resource
Adequacy Requirements (a “Change in Law”), the Parties shall work in good faith to revise this Confirmation so that the Parties can continue to perform their obligations regarding the purchase and sale of the Product sold hereunder in a manner that best maintains their respective original intentions.

5.5 **Governing Law**

Notwithstanding Section 24 of the WSPP Agreement, this Transaction and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law.

5.6 **Collateral**

Notwithstanding any provision in the WSPP Agreement to the contrary, including Section 27, neither Party shall be required to post collateral or other security for this Transaction.

5.7 **No Recourse to Members**

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

5.8 **[Reserved]**

5.9 **Other WSPP Agreement Changes**

For this Transaction, the WSPP Agreement shall be amended as follows:

(a) Section 22.1 of the WSPP Agreement is modified by inserting the following new text at the end thereof:

“(f) the failure of the Defaulting Party to pay its debts generally as they become due or the Defaulting Party’s admission in a writing that is unable to generally pay its debts as they become due;

(g) the institution, by the Defaulting Party, of a general assignment for the benefit of its creditors; or

(h) the application for, consent to, or acquiescence to, by the Defaulting Party, the appointment of a receiver, custodian, trustee, liquidator, or similar official for all or a substantial portion of its assets.”
(b) Section 22.2(b) of the WSPP Agreement is amended by inserting in Section 22.2, “and is continuing” after “Event of Default occurs” in the first line thereof and deleting the second sentence therein.

(c) Section 22.3(c) of the WSPP Agreement is amended by deleting the third sentence thereof and replacing it with the following:

“If the Non-Defaulting Party’s aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement or a Confirmation, the Termination Payment for all such Terminated Transactions shall be zero, notwithstanding any provision in this Section or Agreement to the contrary.”

(d) In Section 22.3(e), delete the entire provision (including subsections) and replace it with the following: “[Intentionally omitted]”

(e) In Section 22.3(f), delete the entire provision and replace with the following:

“If the Defaulting Party disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, and provided that Defaulting Party has paid the undisputed part of the Termination Payment to the Non-Defaulting Party as provided under Section 22.3(c), and that any amounts disputed by the Defaulting Party are disputed in good faith, then the Defaulting Party may submit the calculation issue to Dispute Resolution pursuant to Section 34.”

(f) Section 28.1 of the WSPP Agreement shall be applicable and the Parties shall net monthly payments in accordance with Exhibit A of the WSPP. Both Parties intend for the netting provisions of Exhibit A to the WSPP Agreement to be effective on the Confirmation Effective Date.

(g) Section 30.1 of the WSPP Agreement is amended by inserting “or requested” after the word “required” in Section 30.1(4) and by adding the following at the end of the first sentence: “; or (8) to the Party’s and such Party’s affiliates’ lenders, counsel, accountants, advisors and agents who have a need to know such information and have agreed to keep such terms confidential”.

(h) Subsections 34.1 and 34.2 of the WSPP Agreement are hereby deleted and replaced with the following:

“34.1 INFORMAL DISPUTE RESOLUTION

IN THE EVENT OF ANY DISPUTE ARISING UNDER THIS TRANSACTION, WITHIN TEN (10) DAYS FOLLOWING THE RECEIPT OF A WRITTEN NOTICE FROM EITHER PARTY IDENTIFYING SUCH DISPUTE, THE PARTIES SHALL MEET, NEGOTIATE AND ATTEMPT, IN GOOD FAITH, TO RESOLVE THE DISPUTE QUICKLY, INFORMALLY AND INEXPENSIVELY. IF THE PARTIES ARE UNABLE TO RESOLVE A DISPUTE ARISING HEREUNDER WITHIN THIRTY (30) DAYS AFTER
RECEIPT OF SUCH NOTICE, THEN EITHER PARTY MAY SEEK ANY AND ALL REMEDIES AVAILABLE TO IT AT LAW OR IN EQUITY, SUBJECT TO THE LIMITATIONS SET FORTH IN THIS TRANSACTION.”

“34.2 EXCLUSIVE JURISDICTION

EACH PARTY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE OR FEDERAL COURTS LOCATED IN SAN FRANCISCO, CALIFORNIA, FOR ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY TRANSACTION, AND EXPRESSLY WAIVES ANY OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM.”

(i) The phrase “arbitration or” is hereby deleted from the first line of Section 34.4.

(j) The following shall be inserted as a new Section 34.5:

“34.5 LIMITATION OF DAMAGES. EXCEPT AS OTHERWISE SPECIFIED IN ANY CONFIRMATION, FOR BREACH OF ANY PROVISION OF THIS CONFIRMATION AGREEMENT FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, THE EXPRESS REMEDY OR MEASURE OF DAMAGES PROVIDED IS THE SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT AND THE AGREEMENT FOR THE BREACH, LIABILITY FOR THE BREACH IS LIMITED AS SET FORTH IN THE PROVISION AND ALL OTHER REMEDIES FOR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. EXCEPT AS OTHERWISE SPECIFIED IN ANY CONFIRMATION, IF NO EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED IN THIS AGREEMENT FOR A PARTICULAR BREACH, LIABILITY FOR THE BREACH IS LIMITED TO DIRECT DAMAGES ONLY, THE DIRECT DAMAGES ARE THE SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT FOR THE BREACH, AND ALL OTHER REMEDIES FOR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. EXCEPT AS OTHERWISE SPECIFIED IN ANY CONFIRMATION, NEITHER PARTY IS LIABLE FOR ANY OTHER TYPE OF DAMAGE, INCLUDING INCIDENTAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, SPECIAL OR INDIRECT DAMAGES OF ANY NATURE (INCLUDING DAMAGES ASSOCIATED WITH LOST PROFITS, BUSINESS INTERRUPTION AND LOSS OF GOODWILL) ARISING AT ANY TIME, WHETHER IN TORT (INCLUDING THE SOLE OR CONTRIBUTORY NEGLIGENCE OF EITHER PARTY OR ANY RELATED PERSON), WARRANTY, STRICT LIABILITY, CONTRACT OR STATUTE, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE.”

(k) Section 37 of the WSPP Agreement is amended by inserting the following in the beginning of the section: “On the date of entering into this Confirmation,”.
Section 41 “Witness” of the WSPP Agreement shall become Section 42 and the following “Standard of Review” Section shall be substituted in its place:

“The Parties agree as follows:

From the date of entering into a Transaction under this Agreement and throughout the term of such Transaction, the Parties each warrant and covenant as follows:

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

(ii) The Parties, for themselves and their successors and assigns, (i) agree that this “public interest” standard shall apply to any proposed changes in any other documents, instruments or other agreements executed or entered into by the Parties in connection with this Agreement and (ii) hereby expressly and irrevocably waive any rights they can or may have to the application of any other standard of review, including the “just and reasonable” standard.”

5.10 Counterparts

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

5.11 Entire Agreement; No Oral Agreements or Modifications

This Confirmation sets forth the terms of the Transaction into which the Parties have entered and shall constitute the entire agreement between the Parties relating to the contemplated purchase and sale of the Product. Notwithstanding any other provision of the Agreement, this Transaction may be confirmed only through a Documentary Writing executed by both Parties, and no amendment or modification to this Transaction shall be enforceable except through a Documentary Writing executed by both Parties.
[Signatures appear on the following page.]
AGREED AS OF THE EFFECTIVE DATE:

CENTRAL COAST COMMUNITY ENERGY

By: Tom Habashi
Name: Tom Habashi
Title: CEO

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

By: Girish Balachandran
Name: Girish Balachandran
Title: CEO

Approved as to form:

By: Robert M Shaw
Name: Robert M Shaw
Title: COO and General Counsel
APPENDIX A
DEFINED TERMS

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

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

“Capacity Attributes” means attributes of a Shown Unit that may be counted toward Compliance Obligations, including: flexibility, dispatchability, physical location or point of electrical interconnection of the Shown Unit; the Shown Unit’s ability to reduce energy demand, provide ancillary services, or ramp up or down at a given rate; any current or future defined characteristics, certificates, tags, credits, or accounting constructs of the Shown Unit, howsoever entitled, identified from time to time by the CAISO or a Governmental Body having jurisdiction over Compliance Obligations.

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

“Compliance Obligations” means, as applicable, RAR, Local RAR and FCR.

“Compliance Showings” means the applicable LSE’s compliance with the resource adequacy requirements of the CPUC for an applicable Showing Month and, if applicable, annual filing.

“Contingent Firm RA Product” has the meaning set forth in Article 1 herein.

“CPUC Decisions” means any currently effective or future decisions, resolutions, or rulings related to resource adequacy.

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

“Environmental Costs” means (i) costs incurred in connection with acquiring and maintaining all environmental permits and licenses for the Product, (ii) 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, (iii) all operating and maintenance costs for operation of pollution mitigation or control equipment, (iv) costs of permit maintenance fees and emission fees as applicable, (v) the costs of all emission reductions that have been authorized by a local air pollution control district or emissions trading credits or units pursuant to the California Health & Safety Code, market based incentive programs such as the South Coast Air Quality Management District’s Regional Clean Air Incentives Market, authorizations to emit sulfur dioxide and oxides of nitrogen by the Environmental Protection Agency, and any costs related to greenhouse gas emissions required by any applicable environmental laws, rules, regulations, or permits to operate, and (vi) costs associated with the disposal, clean-up, decontamination or remediation, on or off site, of hazardous substances.
“Expected Contract Quantity” means, with respect to any particular day of any Showing Month of the Delivery Period, (a) for Firm RA Product, the Contract Quantity of Product, including the amount of Contract Quantity of Product that Seller has elected to provide Alternate Capacity with respect to such day, and (b) for Contingent Firm RA Product, the Contract Quantity of Product for such Showing Month, including the amount of Contract Quantity of Product that Seller has elected to provide Alternate Capacity with respect to such day, less any reductions to Contract Quantity for such day consistent with Section 2.2 with respect to which Seller has not elected to provide Alternate Capacity.

“FCR” means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, the CAISO pursuant to the Tariff, or other Governmental Body having jurisdiction over Compliance Obligations and includes any non-binding advisory showing which an LSE is required to make with respect to flexible capacity.

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

“Firm RA Product” has the meaning set forth in Article 1 herein.

“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.

“Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

“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 over Compliance Obligations.

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

“LSE” means “Load Serving Entity” as such term is used in Section 40.9 of the Tariff.

“MW” means megawatt.

“Net Qualifying Capacity” has the meaning set forth in the Tariff.
“Notification Deadline” is twenty (20) Business Days before the relevant deadlines for the corresponding Compliance Showings applicable to the relevant Showing Month and, if applicable, annual filing.

“Planned Outage” means, subject to and as further described in the CPUC Decisions, a CAISO-approved, planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.

“Portfolio” means the aggregated group of Proxy Demand Resources and, as applicable, other resources providing the Product under this Confirmation, consisting of Units and Replacement Units. The Shown Units in the Portfolio may be removed and replaced by Seller from time to time in accordance with the requirements of this Confirmation.

“Product” means RAR Attributes, Local RAR Attributes and FCR Attributes, each for the Delivery Period, Unit, Contract Quantity, Contract Price and other specifications contained in Appendix B.

“Proxy Demand Resource” or “PDR” has the meaning set forth in the Tariff.

“Prudent Operating Practice” means (a) the applicable practices, methods and acts required by or consistent with applicable laws and reliability criteria, and otherwise engaged in or approved by a significant portion of the electric power industry during the relevant time period in the Western United States, or (b) any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Operating Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to acceptable practices, methods or acts generally accepted in the electric power industry in the Western United States.

“Replacement Unit” means a Proxy Demand Resource or other resource meeting the requirements specified in Section 2.3.

“Resource Adequacy Requirements” or “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 over Compliance Obligations, not including Local RAR or FCR.

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

“SC” means Scheduling Coordinator as defined in the Tariff.

“Showing Month” means the calendar month of the Delivery Period that is the subject of the related Compliance Showing.
“Shown Unit” means any Unit, or any Replacement Unit meeting the requirements of Section 2.3 of this Confirmation and specified by Seller in a Supply Plan, but not necessarily identified by Seller to Purchaser on the Effective Date.

“Subsequent Purchaser” means the purchaser of Product from Purchaser in a re-sale of Product by Purchaser.

“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.

“Unit” means the Proxy Demand Resources described in Appendix B, as may be modified by Seller from time to time after the Effective Date to remove and/or replace Units with Replacement Units. A Unit or Shown Unit may not be a nuclear or coal-fired generating facility.
APPENDIX B-1
PORTFOLIO INFORMATION

The following describes the Portfolio.

<table>
<thead>
<tr>
<th>Portfolio Specific Information</th>
<th>Leap DR</th>
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<tbody>
<tr>
<td>Resource Name</td>
<td>Leap DR</td>
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<td>CAISO Resource ID</td>
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<td>SCID of Resource</td>
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<td>Minimum Portfolio NQC by month (in MW)</td>
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<td>Portfolio EFC by month</td>
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<td>Resource Type</td>
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<td>TAC Area</td>
<td>PG&amp;E or CAISO System, as agreed by the Parties</td>
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<td>Capacity Area</td>
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[Information for specific Shown Units may be provided after the Effective Date in accordance with the Agreement.]

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<th>Resource Name</th>
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<tr>
<td>Shown Unit Specific Information</td>
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<td>Physical Location</td>
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<td>Unit NQC by month (e.g., Jan =50, Feb =65) (in MW)</td>
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APPENDIX B-2
PRODUCT AND UNIT INFORMATION

Product: RAR

Delivery period: [redacted]

Contract Quantity and Contract Price:

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<th>Showing Month and Year</th>
<th>RAR Contract Quantity (MW)</th>
<th>Contract Price ($/kW-mo)</th>
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## APPENDIX C
### NOTICE INFORMATION

<table>
<thead>
<tr>
<th>Seller: Central Coast Community Energy</th>
<th>Purchaser:</th>
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<tbody>
<tr>
<td><strong>All Notices:</strong></td>
<td><strong>All Notices:</strong></td>
</tr>
<tr>
<td>Attn: Dennis Dyc-O’Neal, Director of Power Supply Resources</td>
<td>Attn:</td>
</tr>
<tr>
<td>Phone: 831-640-7240</td>
<td>Phone:</td>
</tr>
<tr>
<td>Email: <a href="mailto:ddyconeal@3ce.org">ddyconeal@3ce.org</a></td>
<td>Facsimile:</td>
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<td></td>
<td>Duns:</td>
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<tr>
<td></td>
<td>Federal Tax ID Number:</td>
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<tbody>
<tr>
<td>Attn: Accounts Payable</td>
<td>Attn:</td>
</tr>
<tr>
<td>Phone: 831-641-7218</td>
<td>Phone:</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:APPS@3ce.org">APPS@3ce.org</a></td>
<td>Facsimile:</td>
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<tr>
<td>Attn: The Energy Authority</td>
<td>Attn:</td>
</tr>
<tr>
<td>Phone: 831-641-72148</td>
<td>Phone:</td>
</tr>
<tr>
<td>Tel: (DA CAISO Desk) 425-460-1118</td>
<td>Tel: (DA CAISO Desk)</td>
</tr>
<tr>
<td>Tel: (Real Time Desk) 425-460-1124</td>
<td>Tel: (Real Time Desk)</td>
</tr>
<tr>
<td>Email: <a href="mailto:Group-Corp-TradingCaiso@teainc.org">Group-Corp-TradingCaiso@teainc.org</a></td>
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<th>Credit and Collections:</th>
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<tbody>
<tr>
<td>Attn: Tiffany Law, Chief Financial and Technology Officer</td>
<td>Attn:</td>
</tr>
<tr>
<td>Phone: 831-641-7202</td>
<td>Phone:</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:tlaw@3ce.org">tlaw@3ce.org</a></td>
<td>Facsimile:</td>
</tr>
<tr>
<td>E-mail:</td>
<td></td>
</tr>
</tbody>
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<td>Notices of an Event of Default or Potential Event of Default to:</td>
</tr>
<tr>
<td>Attn: Robert Shaw, COO and General Counsel</td>
<td>Attn:</td>
</tr>
<tr>
<td>Phone: 831-641-7211</td>
<td>Phone:</td>
</tr>
<tr>
<td>Email: <a href="mailto:rshaw@3ce.org">rshaw@3ce.org</a></td>
<td>Facsimile:</td>
</tr>
<tr>
<td>E-mail:</td>
<td></td>
</tr>
<tr>
<td>Additional notices of an Event of Default to:</td>
<td>Additional notices of an Event of Default to:</td>
</tr>
<tr>
<td>Address:</td>
<td>Address:</td>
</tr>
<tr>
<td>Attn:</td>
<td>Attn:</td>
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</tbody>
</table>
## APPENDIX D
### PLANNED OUTAGE SCHEDULE

<table>
<thead>
<tr>
<th>Unit Name</th>
<th>CAISO Resource ID *</th>
<th>Outage (MW)</th>
<th>SLIC Outage Start Date</th>
<th>SLIC Outage End Date</th>
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<tr>
<td>N/A</td>
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EEI RESOURCE ADEQUACY CONFIRMATION

This Confirmation confirms the transaction between Boston Energy Trading and Marketing LLC, a California limited liability company ("Party A") and Silicon Valley Clean Energy Authority, a California joint powers authority ("Party B"), each individually a "Party" and together the “Parties”, dated as of September 15, 2020 (the “Effective Date”), by which Seller agrees to sell and deliver, and Buyer agrees to purchase and receive, the Product (the “Transaction”). This Transaction is governed by, and shall be a Transaction under, the Edison Electric Institute Master Power Purchase and Sale Agreement between the Parties dated September 10, 2020, as amended from time to time (the "Master Agreement"). The Confirmation and Master Agreement, including any appendices, exhibits or amendments thereto, shall be collectively referred to herein as the “Agreement.” Capitalized terms not otherwise defined in this Confirmation or the Master Agreement have the meanings ascribed to them in the Tariff or in the CPUC Decisions (each as defined herein below).

ARTICLE 1
TRANSACTION TERMS

Seller: Party A

Buyer: Party B

Product, Delivery Period, Contract Quantity, Contract Price and other specifics of the Product are in Appendix B. Appendices A, B, and C are incorporated into this Confirmation.

☑ Firm RA Product:

Seller shall provide Buyer with the Product from the Unit in the amount of the Contract Quantity. If the Unit is not available to provide the full amount of the Contract Quantity for any reason, then Seller shall have the option to supply Alternate Capacity pursuant to Section 2.3 to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Buyer with the Contract Quantity and has failed to supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period, then Seller shall be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Section 2.5.

☐ Contingent Firm RA Product:

Seller shall provide Buyer with Product from the Unit in the amount of the Contract Quantity. If the Unit is not available to provide the full amount of the Contract Quantity as a result of any reduction of the Contract Quantity of the Unit in accordance with Section 2.2, Seller shall have the option to notify Buyer that either (a) Seller will not provide the portion of the Contract Quantity attributable to such reduction during the period of such non-availability; or (b) Seller will supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period pursuant to Section 2.3. If the Unit is not available to provide the full amount of the Contract Quantity as a result of any reason other than as provided in Section 2.2, then Seller shall have the option to supply Alternate Capacity pursuant to Section 2.3 to fulfill the remainder of the Contract Quantity.
during such period. If Seller fails to provide Buyer with the Expected Contract Quantity from the Unit and has failed to supply Alternate Capacity to fulfill the remainder of the Expected Contract Quantity during such period, then Seller shall be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Section 2.5.

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Sale and Delivery of Product

(a) For each Showing Month of the Delivery Period, Seller shall sell and deliver to Buyer, and Buyer shall purchase and receive from Seller, the Expected Contract Quantity of the Product from the Shown Unit(s). Seller’s obligation to deliver the Expected Contract Quantity of Product for each day of the Delivery Period is firm and will not be excused for any reason.

(b) Seller shall deliver the Expected Contract Quantity by submitting to CAISO in its Supply Plan the Shown Unit(s) and the characteristics of the Shown Unit(s) and Product for Buyer, as further specified in Appendix B, all in compliance with this Confirmation.

(c) Seller shall cause all Supply Plans to meet and be filed in conformance with the requirements of the CPUC and the Tariff. Seller shall submit, or cause the Shown Unit’s SC to submit, on a timely basis with respect to each applicable Showing Month, Supply Plans in accordance with the Tariff and CPUC requirements to identify and confirm the Product delivered to Buyer for each Showing Month of the Delivery Period. The total amount of Product identified and confirmed for each day of such Showing Month shall equal the Expected Contract Quantity.

(d) Seller may sell and deliver Product from a Shown Unit that meets the requirements set forth in Appendix B. In no event shall a Shown Unit utilize coal or coal materials as a source of fuel. A Shown Unit must be a specific resource that is connected directly to the CAISO controlled grid or be under the operational control of CAISO. A Shown Unit may not be an unspecified import. Seller shall identify the Shown Unit(s) and Expected Contract Quantity by providing Buyer with the specific information contemplated in Appendix B no later than the Notification Deadline for the relevant Showing Month.

(e) If CAISO rejects either the Supply Plan or the Resource Adequacy Plan with respect to any part of the Expected Contract Quantity for the Shown Unit(s) in any Showing Month, the Parties shall confer, make such corrections as are necessary for acceptance, and resubmit the corrected Supply Plan or Resource Adequacy Plan for validation before the applicable deadline for the Showing Month.

(f) The Product is delivered and received when the CIRA Tool shows that the Supply Plan submitted in compliance with Buyer’s instructions, including Buyer’s
instructions to withhold all or part of the Expected Contract Quantity from Seller’s Supply Plan for any Showing Month during the Delivery Period, has been accepted for the Product from the Shown Unit(s) by CAISO. Seller has failed to deliver the Product if (i) Buyer has elected to submit the Product from the Shown Unit in its Resource Adequacy Plan and such submission is accepted by the CPUC and the CAISO but the Supply Plan and Resource Adequacy Plan are not matched in the CIRA Tool and are rejected by CAISO notwithstanding performance of Section 2.1(e) or (ii) Seller fails to submit the volume of Expected Contract Quantity for any Showing Month in such amount as instructed by Buyer for the applicable Showing Month. Seller will not have failed to deliver the Expected Contract Quantity if Buyer fails or chooses not to submit the Shown Unit(s) and the Product in its Resource Adequacy Plan with the CPUC or CAISO.

(g) The Shown Unit(s) must not have characteristics that would trigger the need for Buyer or Seller to file an advice letter or other request for authorization with the CPUC or for Buyer to make a compliance filing pursuant to California Public Utilities Code Section 380.

2.2 Reductions in Contract Quantity

If Seller is providing Contingent Firm RA Product, 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 by the Notification Deadline applicable to that Showing Month of the amount of Product from the Unit Buyer may 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 Tariff.

In the event Seller is unable to provide the Contract Quantity for any portion of a Showing Month because of a Planned Outage of the Unit, Seller has the option, but not the obligation, to provide Product for such portions of such Showing Month from Replacement Units, provided Seller provides and identifies such Replacement Units in accordance with Section 2.3.

2.3 Seller’s Option To Provide Alternate Capacity

If Seller is unable to provide the full Contract Quantity for each day of each Showing Month for any reason, including, without limitation, as provided in Section 2.2, or Seller desires to provide a portion of the Contract Quantity for any day of a 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 any Replacement Unit(s) for each day of the Showing Month is not more than the Contract Quantity, provided that in each case:

(a) Seller shall notify Buyer in writing of its intent to provide Alternate Capacity and shall identify the Replacement Units from which such Alternate Capacity shall be
provided before the Notification Deadline for Buyer’s Compliance Showings related to such Showing Month; and

(b) The designation of any Replacement Unit(s) by Seller shall be subject to Buyer’s prior written approval, which shall not be unreasonably withheld.

Once Seller has identified in writing any Replacement Units that meet the requirements of this Section 2.3 and Buyer has approved such Replacement Units as consistent with this Confirmation, then any such Replacement Units shall be deemed a Unit for purposes of this Confirmation for that Showing Month. Buyer’s approval of a Replacement Unit as to a given Showing Month shall not be construed as approval of such Replacement Unit for any subsequent Showing Month.

2.4 Planned Outages

As of the Effective Date, Seller and Buyer have agreed to all Planned Outages as specified in Appendix C (“Planned Outage Schedule”) for all relevant Showing Months for the following calendar year, or until the end of the Delivery Period, whichever is shorter. Seller may provide Buyer with proposed changes to the Planned Outage Schedule from time to time. Within ten (10) Business Days after Buyer’s receipt of any Seller proposed changes, Buyer shall notify Seller in writing of any reasonable requests for modifications to such Seller proposed changes, and Seller shall, to the extent consistent with Prudent Operating Practice, accommodate Buyer’s requests regarding the timing of any Seller proposed changes to the Planned Outage Schedule.

2.5 Buyer’s Remedies for Seller’s Failure to Deliver Expected Contract Quantity

(a) If Seller fails to deliver any part of the Expected Contract Quantity as required herein for any Showing Month, Seller shall be liable for damages pursuant to Section 4.1 of the Master Agreement.

(b) Seller shall indemnify, defend and hold harmless Buyer from any penalties, fines or costs, including Environmental Costs, assessed against Buyer by the CPUC, CAISO or other Governmental Body resulting from Seller’s failure to deliver the Product or a Shown Unit’s SC’s failure to timely or accurately submit Supply Plans in accordance with the Tariff and this Confirmation. The Parties shall use commercially reasonable efforts to minimize such penalties, fines or costs; provided, that in no event will Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties, fines or costs. If Seller fails to pay the foregoing penalties, fines or costs, or fails to reimburse Buyer for those penalties, fines or costs, then, without prejudice to its other rights and remedies, Buyer may setoff and recoup those penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation or the Master Agreement.

2.6 Buyer’s Re-Sale of Product
(a) Buyer may re-sell all or part of the Product; provided that any such re-sale must not increase Seller’s obligations hereunder other than as set forth in this Section 2.6(a). For any such a resale, the Resource Adequacy Plan of Buyer as used herein will refer to the Resource Adequacy Plan of Subsequent Buyer. Seller shall, or shall cause the Shown Unit’s SC, to follow Buyer’s instructions with respect to providing such resold Product to Subsequent Buyers, to the extent such instructions are consistent with Seller’s obligations under this Confirmation. Seller shall, and shall cause the Shown Unit’s SC, to take all commercially reasonable actions and execute all documents or instruments reasonably necessary to allow such Subsequent Buyers to use such resold Product in a manner consistent with Buyer’s rights under this Confirmation.

(b) Buyer shall notify Seller in writing of any resale of Product and the Subsequent Buyer no later than two (2) Business Days before the Notification Deadline for each Showing Month for which Buyer has resold the Product. Buyer shall notify Seller of any subsequent changes or further resales no later than two (2) Business Days before the Notification Deadline for the Showing Month.

(c) If CAISO or CPUC develops a centralized capacity market, Buyer will have exclusive rights to direct the Seller or the Unit’s SC to offer, bid, or otherwise submit the Expected Contract Quantity of Product for re-sale in such market, Seller and the Unit’s SC shall comply with the Buyer’s direction and Buyer shall retain and receive all revenues from such re-sale.

2.7 Development-Related Provisions

(a) Milestones

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date for Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Control</td>
<td>Completed</td>
</tr>
<tr>
<td>Executed Interconnection Agreement</td>
<td>In Progress</td>
</tr>
<tr>
<td>Notice to Proceed Date</td>
<td>11/1/2020</td>
</tr>
<tr>
<td>Construction Start Date</td>
<td>5/1/2021</td>
</tr>
<tr>
<td>Resource Added to “Other” tab of NWC List</td>
<td>9/1/2021</td>
</tr>
<tr>
<td>CAISO Commercial Operation Date</td>
<td>11/1/2021</td>
</tr>
<tr>
<td>Guaranteed Commercial Operation Date/RA Eligibility Start Date (i.e., Unit is on CAISO NQC list)</td>
<td>12/31/2021</td>
</tr>
<tr>
<td>Delivery Period Start Date</td>
<td>1/1/2022</td>
</tr>
</tbody>
</table>
(b) Major Unit Development Milestones

(i) Notice to Proceed. The Parties acknowledge that Seller’s obligations hereunder are contingent upon the construction and operation of the proposed energy storage system being developed by Santa Paula Energy Storage LLC at a site located at 132 North 13th Street, Santa Paula, CA. Seller shall provide written confirmation to Buyer of Seller’s intent to proceed with this Transaction no later than three (3) Business Days after the date set forth for such milestone in Section 2.7(a) (the “Notice to Proceed Date”). If Seller fails to provide such written confirmation within three (3) Business Days after the Notice to Proceed Date, Buyer may terminate this Confirmation by providing written notice to Seller, which shall be effective immediately. If Buyer terminates this Agreement under this provision, Buyer has the right to collect as liquidated damages an amount equal to $100,000, provided, that payment of such amount shall constitute liquidated damages and Buyer’s sole and exclusive remedy for such termination. Subject to Buyer’s receipt of such payment, this Confirmation and Transaction shall terminate on the date stated in Buyer’s termination notice and neither Party shall have any further obligation hereunder thereafter.

(ii) Delivery Period Start Date. The “Delivery Period Start Date” is set forth in Section 2.7(a). Should project development or other delays cause the Unit to fail to obtain CAISO NQC by the Guaranteed Commercial Operation Date/RA Eligibility Start Date set forth in Section 2.7(a), Seller will provide to Buyer Alternate Capacity consistent with Section 2.3 until CAISO NQC is achieved by the Unit. In such case, Seller will provide Buyer notice of Alternate Capacity no later than the Notification Deadline for the January 2022 monthly Supply Plan. In the event the Unit fails to obtain CAISO NQC by April 1, 2022, Buyer may terminate this Agreement upon written notice to Seller, which shall be effective immediately. If Buyer terminates this Agreement under this provision, Buyer has the right to collect as liquidated damages an amount equal to the Performance Security; provided, that payment of such amount shall constitute liquidated damages and Buyer’s sole and exclusive remedy for such termination.

(c) Seller Early Termination Right. Notwithstanding anything else herein to the contrary, Seller may (but shall not be obligated to) terminate this Confirmation and Transaction by providing written notice to Buyer (an “Early Termination Notice”) if the “Notice to Proceed Date” as defined in the Energy Storage Power Purchase Agreement between Boston Energy Trading and Marketing LLC as Buyer and Santa Paula Energy Storage, LLC as Seller with an Effective Date of July 12, 2019 (the “Santa Paula Agreement”) has not occurred by November 1, 2020, provided, that the Early Termination Notice must be sent no later than December 1, 2020. In the event Seller provides Buyer with an Early Termination Notice as provided for
in this Section 2.7, Buyer shall be entitled to collect as liquidated damages an amount equal to $100,000, and subject to Buyer’s receipt of such payment, this Confirmation and Transaction shall terminate on the date stated in the Early Termination Notice and neither Party shall have any further obligation hereunder thereafter.

ARTICLE 3
PAYMENTS

3.1 Payment

Buyer shall pay for the Product as provided in Article Six of the Master Agreement and this Confirmation. Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit by the later of (a) ten (10) Calendar Days after Buyer’s receipt of Seller’s invoice (which may be given upon first day of the Showing Month) and (b) the twentieth (20th) of the Showing Month, or if the twentieth (20th) is not a Business Day the next following Business Day (“Monthly RA Capacity Payment”). The Monthly RA Capacity Payment shall equal the product of (i) the applicable Contract Price for that Showing Month, (ii) the Expected Contract Quantity for the Showing Month and (iii) 1,000, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be adjusted to reflect any portion of Expected Contract Quantity for the Showing Month that was not delivered in accordance with Section 2.1 for such Showing Month.

3.2 Allocation of Other Payments and Costs

(a) Seller will receive any revenues from, and must pay all costs charged by, CAISO or any other third party with respect to the Shown Unit(s) for (i) start-up, shutdown, and minimum load costs, (ii) capacity for ancillary services, (iii) energy sales, (iv) flexible ramping product, or (v) black start or reactive power services. Buyer must promptly report receipt of any such revenues to Seller. Buyer must pay to Seller any such amounts described in this Section 3.2(a) received by Buyer or a Subsequent Buyer. Without prejudice to its other rights and remedies, Seller may setoff and recoup any such amounts that are not paid to it pursuant to this Section 3.2(a) against any amounts owed to Buyer under the Master Agreement.

Buyer is to receive and retain all revenues associated with the Expected Contract Quantity of Product during the Delivery Period, including any capacity and availability revenues from the Capacity Procurement Mechanism, or its successor, RUC Availability Payments, or its successor, but excluding payments described in Section 3.2(a)(i)-(v) or 3.2(d). Seller shall promptly report receipt of any such revenues to Buyer. Seller shall pay to Buyer within thirty (30) days of receipt any such amounts received by Seller, or a Shown Unit’s SC, owner, or operator. Without prejudice to its other rights, Buyer may set off and recoup any such amounts that are not paid to it against amounts owed to Seller under the Master Agreement.
(b) If CAISO designates any part of the Contract Quantity as Capacity Procurement Mechanism Capacity, then Seller shall, or shall cause the Shown Unit’s SC to, within one (1) Business Day of the time Seller receives notification from CAISO, notify Buyer and not accept any such designation by CAISO unless and until Buyer has agreed to accept such designation.

(c) Any Availability Incentive Payments or Non-Availability Charges are for Seller to receive and pay.

ARTICLE 4
OTHER BUYER AND SELLER COVENANTS

4.1 CAISO Requirements

Seller shall schedule or cause the Shown Unit’s SC to schedule or make available to CAISO the Expected Contract Quantity of the Product during the Delivery Period, in compliance with the Tariff, and perform all, or cause the Shown Unit’s SC, owner, or operator to perform all, obligations under applicable law and the Tariff relating to the Product. Buyer is not liable for, and Seller shall indemnify and hold Buyer harmless from, the failure of Seller or the Shown Unit’s SC, owner, or operator to comply with the Tariff, and for any penalties, fines or costs imposed on Seller or the Shown Unit’s SC, owner, or operator for noncompliance.

4.2 Seller’s and Buyer’s Duties to Take Actions to Allow Product Utilization

Throughout the Delivery Period, Buyer and Seller shall take all commercially reasonable actions and execute all documents or instruments reasonably necessary to ensure (a) Buyer’s rights to the Expected Contract Quantity for the sole benefit of Buyer or any Subsequent Buyer and (b) that Buyer may use the Expected Contract Quantity to meet its Compliance Obligations. Such commercially reasonable actions shall include, without limitation cooperating with and providing, and causing each Shown Unit’s SC, owner, or operator to cooperate with and provide, requested supporting documentation to the CAISO, the CPUC, or any other Governmental Body responsible for administering the applicable Compliance Obligations, including to demonstrate that the Expected Contract Quantity can be delivered to the CAISO controlled grid for the minimum hours required to satisfy RAR pursuant to the “deliverability” standards established by the CAISO or other Governmental Body of competent jurisdiction.

If necessary, the Parties further agree to negotiate in good faith to amend this Confirmation to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by CAISO or an applicable Governmental Body to maintain the benefits of the Transaction.

4.3 Seller’s Representations and Warranties

Seller represents and warrants to Buyer throughout the Delivery Period that:
(a) No part of the Contract Quantity during the Delivery Period has been committed by Seller to any third party to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets;

(b) The Shown Unit(s) qualify to provide the Product under the Tariff, and the Shown Unit(s) and Seller are capable of delivering the Product;

(c) the aggregation of all amounts of Capacity Attributes that Seller has sold, assigned, or transferred for the Shown Unit(s) during the Delivery Period does not exceed the Shown Unit’s Net Qualifying Capacity and, if applicable, the Effective Flexible Capacity for that Shown Unit;

(d) if applicable, Seller has notified either the Shown Unit’s SC or the entity from which Seller purchased the Product that Seller has transferred the Contract Quantity of Product for the Delivery Period to Buyer; and

(e) Seller has notified or will notify the Shown Unit’s SC that Buyer is entitled to the revenues set forth in Section 3.2(b), and such Shown Unit’s SC is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

4.4 Market Based Rate Authority

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

ARTICLE 5
AMENDMENTS TO THE MASTER AGREEMENT; GENERAL PROVISIONS

5.1 Termination Payment

For this Transaction, the following is inserted at the end 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 CAISO, or any Governmental Body, because Buyer or a Subsequent Buyer is not able to include the applicable Expected Contract Quantity in a 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 the estimate in its calculation of the Settlement Amount, 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 must promptly remit to Seller the excess amount with interest in accordance with Section 6.2. 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.”

5.2 Confidentiality

Notwithstanding anything in the Master Agreement:

(a) Buyer may disclose information as necessary in order to support its Compliance Showings or otherwise show it has met its Compliance Obligations;

(b) Seller may disclose as necessary to a Shown Unit’s SC or as necessary for Supply Plans;

(c) Seller may disclose information as necessary to comply with FERC reporting requirements, including but not limited to FERC Electronic Quarterly Reports;

(d) each Party may disclose information as necessary to the independent evaluator or other administrator of any competitive solicitation process of Buyer, which in turn may disclose such information as necessary to CAISO or any Governmental Body; and

(e) Buyer may disclose information to any Subsequent Buyer.

5.3 Dodd-Frank Act


5.4 Change in Law

If any action by the CPUC, CAISO or any Governmental Body having jurisdiction, or any change in applicable law, occurring after the Effective Date results in (i) material changes to Buyer’s or Seller’s obligations with regard to the Products sold hereunder, (ii) has the effect of changing the transfer and sale procedure set forth in this Confirmation so that the performance of this Confirmation becomes impracticable, or (iii) changes the Resource Adequacy Requirements such that the Product can no longer be counted towards Buyer’s Resource Adequacy Requirements (a “Change in Law”), the Parties shall work in good faith to revise this Confirmation so that the Parties can perform their obligations regarding the purchase and sale of the Product sold hereunder in order to maintain the original intent of the Parties under this Confirmation.
5.5 **Governing Law**

This Confirmation, including the provisions and requirements of the Tariff and the definition of the Product and its components, and any portion of the Master Agreement applicable to this Transaction and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law.

5.6 **Buyer Collateral**

Notwithstanding any provision in the Master Agreement to the contrary, Buyer shall not be required to post collateral or other security for this Transaction.

5.7 **Seller Collateral**

(a) **Seller Performance Security.** To secure its obligations under this Agreement, Seller shall deliver Performance Security to Buyer within ten (10) Business Days of the Effective Date. Seller shall maintain the Performance Security in full force and effect, subject to any draws made by Buyer in accordance with this Confirmation, until the following have occurred: (A) the Delivery Period has expired or terminated early; and (B) all payment obligations of the Seller then due and payable under this Confirmation, including compensation for penalties, termination payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting). Following the occurrence of both events, Buyer shall promptly return to Seller the unused portion of the Performance Security not allocated to invoiced but unpaid amounts. Provided that no Event of Default has occurred and is continuing with respect to Seller, Seller may replace Performance Security or change the form of Performance Security to another form of Performance Security from time to time upon reasonable prior written notice to Buyer. “Performance Security” means (i) cash or (ii) a Letter of Credit in an initial amount of four hundred thousand dollars ($400,000), which, provided that the Unit has achieved Commercial Operation and Seller is not subject to an Event of Default at such time, may be reduced by fifty thousand dollars ($50,000) on March 31, 2022 and by the same amount at the end of each subsequent calendar quarter during the Term. In addition, after the Unit has achieved Commercial Operation Seller may replace the form of Performance Security with a guaranty by Mitsubishi Corporation, substantially in the form attached as Exhibit B to the Master Agreement or such other form as agreed to by Buyer and Seller.

(b) **First Priority Security Interest in Cash or Cash Equivalent Collateral.**

(i) To secure its obligations under this Confirmation, and until released as provided herein, Seller hereby grants to Buyer a present and continuing first-priority security interest (“Security Interest”) in, and lien on (and right to net against), and assignment of the Performance Security, any other cash collateral and cash equivalent collateral posted under this Confirmation, and
any and all interest thereon or proceeds resulting therefrom or from the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of Buyer, and Seller agrees to take all action as Buyer reasonably requires in order to perfect Buyer’s Security Interest in, and lien on (and right to net against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

(ii) Upon or any time after the occurrence of an Event of Default caused by Seller, an Early Termination Date resulting from an Event of Default caused by Seller, or an occasion provided for in this Agreement where Buyer is authorized to retain all or a portion of the Security, Buyer may do any one or more of the following:

A. Exercise any of its rights and remedies with respect to the Performance Security, including any such rights and remedies under Law then in effect;

B. Draw on any outstanding Letter of Credit issued for its benefit and retain any cash held by Buyer as Performance Security; and

C. Liquidate Performance Security then held by or for the benefit of Buyer free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller.

Buyer shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Seller’s obligations under this Confirmation (Seller remains liable for any amounts owing to Buyer after such application), subject to Buyer’s obligation to return any surplus proceeds remaining after these obligations are satisfied in full.

5.8 Counterparts

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

5.9 Entire Agreement; No Oral Agreements or Modifications

This Confirmation sets forth the terms of the Transaction into which the Parties have entered and shall constitute the entire agreement between the Parties relating to the contemplated purchase and sale of the Product. Notwithstanding any other provision of the Agreement to the contrary, this Transaction may be confirmed only through a written document executed by both Parties, and no amendment or modification to this Transaction shall be enforceable except through a written document executed by both Parties.
[Signatures appear on the following page.]
AGREED AS OF THE EFFECTIVE DATE:

BOSTON ENERGY TRADING AND MARKETING LLC

By: ____________________________
Name: __________________________
Title: ____________________________

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

By: ____________________________
Name: Girish Balachandran
Title: CEO
APPENDIX A
DEFINED TERMS

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

“CAISO” means the California ISO or the successor organization to the functions thereof.

“Capacity Attributes” means attributes of the Shown Unit that may be counted toward Compliance Obligations, including: flexibility, dispatchability, physical location or point of electrical interconnection of the Shown Unit; Unit ability to generate at a given capacity level, provide ancillary services, or ramp up or down at a given rate; any current or future defined characteristics, certificates, tags, credits, or accounting constructs of the Shown Unit, however entitled, identified from time to time by the CAISO or a Governmental Body having jurisdiction over Compliance Obligations.

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

“Compliance Obligations” means, as applicable, RAR, Local RAR and FCR.

“Compliance Showings” means the applicable LSE’s compliance with the resource adequacy requirements of the CPUC for an applicable Showing Month.

“Contingent Firm RA Product” has the meaning set forth in Article 1 herein.

“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.

“Effective Flexible Capacity” has the meaning given in CAISO’s FERC-approved Tariff.

“Environmental Costs” means (i) costs incurred in connection with acquiring and maintaining all environmental permits and licenses for the Product, (ii) 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, (iii) all operating and maintenance costs for operation of pollution mitigation or control equipment, (iv) costs of permit maintenance fees and emission fees as applicable, (v) the costs of all emission reductions that have been authorized by a local air pollution control district or emissions trading credits or units pursuant to the California Health & Safety Code, market based incentive programs such as the South Coast Air Quality Management District’s Regional Clean Air Incentives Market,
authorizations to emit sulfur dioxide and oxides of nitrogen by the Environmental Protection Agency, and any costs related to greenhouse gas emissions required by any applicable environmental laws, rules, regulations, or permits to operate, and (vi) costs associated with the disposal, clean-up, decontamination or remediation, on or off site, of hazardous substances.

“Expected Contract Quantity” means, with respect to any particular day of any Showing Month of the Delivery Period, (a) for Firm RA Product, the Contract Quantity of Product, including the amount of Contract Quantity of Product that Seller has elected to provide Alternate Capacity with respect to such day, and (b) for Contingent Firm RA Product, the Contract Quantity of Product for such Showing Month, including the amount of Contract Quantity of Product that Seller has elected to provide Alternate Capacity with respect to such day, less any reductions to Contract Quantity for such day consistent with Section 2.2 with respect to which Seller has not elected to provide Alternate Capacity.

“FCR” means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, the CAISO pursuant to the Tariff, or other Governmental Body having jurisdiction over Compliance Obligations and includes any non-binding advisory showing which an LSE is required to make with respect to flexible capacity.

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

“Firm RA Product” has the meaning set forth in Article 1 herein.

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

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

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

“LSE” means “Load Serving Entity” as such term is used in Section 40.9 of the Tariff.

“MW” means megawatt.

“Net Qualifying Capacity” has the meaning given in CAISO’s FERC-approved Tariff.
“Notification Deadline” is twenty (20) Business Days before the relevant deadlines for the corresponding Compliance Showings applicable to the relevant Showing Month.

“Planned Outage” means, subject to and as further described in the CPUC Decisions, a CAISO-approved, planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.

“Product” means RAR Attributes, Local RAR Attributes and FCR Attributes, each for the Delivery Period, Unit, Contract Quantity, Contract Price and other specifications contained in Appendix B.

“Prorated Percentage of Unit Factor” means the percentage, as specified in Appendix B, of the Unit NQC as of the Effective Date that is dedicated to Buyer under this Transaction.

“Prorated Percentage of Unit Flexible Factor” means the percentage, as specified in Appendix B, of the Unit EFC as of the Effective Date that is dedicated to Buyer under this Transaction.

“Prudent Operating Practice” means (a) the applicable practices, methods and acts required by or consistent with applicable laws and reliability criteria, and otherwise engaged in or approved by a significant portion of the electric power industry during the relevant time period in the Western United States, or (b) any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Operating Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to acceptable practices, methods or acts generally accepted in the electric power industry in the Western United States.

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

“Resource Adequacy Requirements” or “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 over Compliance Obligations, not including Local RAR or FCR.

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

“SC” means Scheduling Coordinator as defined in the Tariff.

“Showing Month” means the calendar month of the Delivery Period that is the subject of the related Compliance Showing.
“Shown Unit” means the Unit, or any Replacement Unit meeting the requirements of Section 2.3 of this Confirmation and specified by Seller in a Supply Plan, but not necessarily identified by Seller to Buyer on the Effective Date.

“Subsequent Buyer” means the Buyer of Product from Buyer in a re-sale of Product by Buyer.

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

“Unit” means the generation unit described in Appendix B. A Unit or Shown Unit may not be a coal-fired generating facility.

“Unit EFC” means the lesser of the Unit’s Effective Flexible Capacity as set by CAISO as of the Effective Date and that of the Unit on a subsequent date of determination.

“Unit NQC” means the lesser of the Unit’s Net Qualifying Capacity as set by CAISO as of the Effective Date and that of the Unit on a subsequent date of determination.
APPENDIX B
PRODUCT AND UNIT INFORMATION

Product:

- ☑ RAR
- □ Local RAR
- ☑ Flexible Capacity

and all Capacity Attributes related to such Product.

Additional Product Information (fill in all that apply):
CAISO Zone: South of Path 26
MCC Bucket: 1
CPUC Local Area (if applicable): N/A
Flexible Capacity Category (if applicable): Category 3

Delivery Period:   

Contract Quantity and Contract Price:

RAR and Local RAR, as applicable

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<th>Contract Price ($/kW-mo)</th>
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Flexible Capacity, if applicable

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### Unit 1

**Unit Specific Information**

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</tr>
<tr>
<td>Unit EFC by month (e.g., Jan=30, Feb=50):</td>
<td>30</td>
</tr>
<tr>
<td>Resource Type (e.g., gas, hydro, solar, etc.):</td>
<td>Battery Energy Storage</td>
</tr>
<tr>
<td>Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3):</td>
<td>Category 3</td>
</tr>
<tr>
<td>TAC Area (e.g., PG&amp;E, SCE):</td>
<td>SCE</td>
</tr>
<tr>
<td>Prorated Percentage of Unit Factor:</td>
<td>N/A</td>
</tr>
<tr>
<td>Prorated Percentage of Unit Flexible Factor:</td>
<td>N/A</td>
</tr>
<tr>
<td>Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt):</td>
<td>Big Creek-Ventura</td>
</tr>
<tr>
<td>Resource Category as defined by the CPUC (DR, 1, 2, 3, 4):</td>
<td>1</td>
</tr>
</tbody>
</table>

[Information for specific Shown Units may be provided after the Effective Date pursuant to the Confirmation.]
APPENDIX C
PLANNED OUTAGE SCHEDULE

<table>
<thead>
<tr>
<th>Unit Name</th>
<th>CAISO Resource ID *</th>
<th>Outage (MW)</th>
<th>SLIC Outage Start Date</th>
<th>SLIC Outage End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Note: Delivery Period starts in 2022, which is after the calendar year following the Effective Date of this Confirmation.
AGREED AS OF THE EFFECTIVE DATE:

BOSTON ENERGY TRADING AND MARKETING LLC

By: ____________________________
Name: REEM FAHEY
Title: President

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

By: ____________________________
Name: ____________________________
Title: ____________________________