SVCE Legislative and Regulatory Update

April 14, 2021
PCIA: A Tale of Two Policy Paths

Issue: CCA customers pay for the costs of legacy energy resources via the PCIA but do not have access to certain beneficial attributes associated with these resources that can help reduce the PCIA.

Legislative Path: SB 612
- Gives all load-serving entities equal right to receive legacy resource benefits
- SVCE and other CalCCA members are requesting support from local legislators, cities and counties
- Bill co-authors:
  - Senators Allen, Becker, Limón, McGuire, Stern, and Wiener
  - Asms Bauer-Kahan, Berman, Bloom, Boerner Horvath, Chiu, Kalra, Lee, Levine, Mullin, Muratsuchi, Rivas, Stone, Ting, and Wood, Asm Low requested to co-author
- Santa Clara County, SVLG submitted letters of support

Regulatory Path: CPUC Proposed Decision
- Limits CCAs’ right to receive legacy resource benefits
- CalCCA will provide comments addressing concerns/limitations in decision
- Decision to be voted by the CPUC as early as May 6th
SB 67 (Becker): California 24/7 Clean Energy Standard Program

- Establishes annual procurement requirements for clean energy (renewables and other zero-carbon sources)
- Timing of delivery of clean energy must be better matched to the timing of electricity usage ("net peak" sub periods)
- CEC will define the subperiods.
- CEC/CPUC establish interim targets starting in 2024

- 2030: 85% clean energy
- 2035: 90% clean energy
- 2045: Path to 100% clean energy
SB 67: Impacts on SVCE

• SB 67 broadly aligns with SVCE's decarbonization goals
  • The bill does not meet SVCE's cost-effectiveness goals
  • It is unclear whether the bill meets reliability goals

• SVCE conducted an analysis to understand the cost and feasibility of SB 67 implementation
  • Costs vary significantly based on supply availability and how subperiods are defined
Concerns:
- There is no method of cost-recovery for CCAs raising affordability and equity concerns
- Supply availability of hydro is uncertain
- Impacts on reliability are unknown

Proposed Amendments:
- Allow CCAs to recover costs via an exit fee
- Pro-rata share of RPS and large hydro resources are counted
- Ensure all retail sellers are not obligated to procure if costs lead to a material increase in rates

SVCE Position: Support with Amendments
Questions?
Power Prepay Overview &
Approve California Community Choice Financing Authority JPA Agreement and Authorize CEO to Execute the Agreement

SVCE Board of Directors Meeting
April 14, 2021
# Prepay Timeline – 2019 - 2021

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2019</td>
<td>SVCE presents Prepay Structure Overview Presentation (developed by Goldman Sachs) to Finance and Admin Committee</td>
</tr>
<tr>
<td>Aug 2019</td>
<td>SVCE presents brief verbal update on prepay process to Finance and Admin Committee</td>
</tr>
<tr>
<td>Sept 2019</td>
<td>SVCE and PFM Financial Advisors provide update on upcoming RFP process to Finance and Admin Committee</td>
</tr>
<tr>
<td>Nov 2019</td>
<td>SVCE provides Prepay RFP Overview to Executive Committee</td>
</tr>
<tr>
<td></td>
<td>- PFM issues RFP to select Prepay Bank Supplier on behalf of EBCE and SVCE on Nov 12th</td>
</tr>
<tr>
<td></td>
<td>- RFP Proposals are due December 5th</td>
</tr>
<tr>
<td>Jan 2020</td>
<td>SVCE presents Prepay Structure Overview to Finance and Admin Committee</td>
</tr>
<tr>
<td>Spring 2020</td>
<td>SVCE and EBCE conduct RFP evaluations to select Prepay Bank Supplier</td>
</tr>
<tr>
<td>July 2020</td>
<td>SVCE and EBCE select Morgan Stanley as Prepay Bank Supplier</td>
</tr>
<tr>
<td>Aug 2020</td>
<td>SVCE provides Prepay Status Report to Finance and Admin Committee</td>
</tr>
<tr>
<td>Sept 2020</td>
<td>SVCE provides Prepay Status Report to Finance and Admin Committee</td>
</tr>
<tr>
<td>Oct 2020</td>
<td>SVCE provides BOD with Prepay Overview on preparing for a Prepay Transaction</td>
</tr>
<tr>
<td></td>
<td>SVCE provides Prepay Status Report to Finance and Admin Committee</td>
</tr>
<tr>
<td>Nov 2020</td>
<td>SVCE Board Authorizes CEO to enter legal service agreements to finalize Prepayment Transaction (Orrick, Herrington &amp; Sutcliffe and Chapman &amp; Cutler LLP)</td>
</tr>
<tr>
<td>Mar 2021</td>
<td>SVCE provides Prepay Status Report to Finance and Admin Committee</td>
</tr>
<tr>
<td></td>
<td>SVCE provides Prepay Status Report to Executive Committee</td>
</tr>
</tbody>
</table>
Overview of Prepayment Transactions

• Goal: Reduce the cost of power purchases by 8-12% on quantities delivered under the pre-pay structure with minimal risk

• How: Enter in a 30-yr non-recourse tax-exempt prepay transaction with a taxable prepaid supplier of energy (Morgan Stanley)

• Key Driver of Savings: Arbitrage the difference between taxable and tax-exempt debt interest rates
Overview of Prepayment Transactions

• Used since the 1990s for natural gas transactions

• Over 90 transactions totaling over $50 billion completed in the US
  • Over 95% of them for natural gas

• 11 prepayments totaling over $5.7 billion completed in California

• Codified in the US Tax law
  • Part of the National Energy Policy Act of 2005

• SVCE is working in partnership with East Bay Community Energy (EBCE)

• Seasoned team of professionals are helping to guide, negotiate, and structure the transactions
1. SVCE and EBCE have long term contracts to buy clean power from PPA Seller (MWhs and RECs) at a contracted price.
Preparation Phase

1. Create California Community Choice Financing Authority (CCCFA)

2. Novate existing contracts to Morgan Stanley at full contract price
CCCFA Issues Tax-Exempt Bonds

1. CCCFA issues non-recourse tax-exempt bonds
2. Net bond proceeds are in CCCFA
1. CCCFA pays Morgan Stanley the present value of the contract amount, net of all fees associated with the transaction.
1. MWhs and RECs are flowing through Morgan Stanley and CCCFA.

2. Morgan Stanley pays the PPA Seller the contracted price.
1. SVCE and EBCE pay CCCFA an amount equal to CCCFA’s bond payments on the tax-exempt bonds
2. CCCFA pays the bondholders
Ongoing Payments

1. Savings are realized because the ongoing payments on the non-recourse tax-exempt bonds are less than the contract price payments.
Getting Ready – 2 parallel paths

CCCFA Formation
- SVCE, EBCE, MCE, CCCE – Founding Members
- To be completed in Q2 2021

Documentation and Transaction Terms
- SVCE & EBCE
- To be completed by Q2 – Q3 2021
- Board has approved hiring of professionals; nearly all fees are contingent on a deal being transacted.
CCCFA JPA Agreement

• CCCFA can only undertake financings or refinancings in connection with prepayment transactions

• Board of CCCFA will consist of one rep. from each of the Founding Members:
  • Silicon Valley Clean Energy
  • East Bay Community Energy
  • Central Coast Community Energy
  • Marin Clean Energy

• Director will be the CEO or designee of the CEO
  • Can be removed as Director by the Founding Member at any time
CCCFA JPA Agreement

• Non-founding CCAs can be added later as Associate Members

• Each member pays an equal share of G&A costs

• CCCFA bonds will not constitute obligations to any of its member

• Costs for Prepayment Projects allocated solely to member undertaking such project
By joining CCCFA, SVCE will have the right but not the obligation to participate in energy prepayment projects.

SVCE Board must separately approve prepayment transaction:
- Staff is not seeking such approval at this time.

SVCE’s annual share of CCCFA’s G&A costs are expected to be about $25,000.
# Tentative Schedule

<table>
<thead>
<tr>
<th>Month</th>
<th>Activity</th>
</tr>
</thead>
</table>
| April 2021 | • SVCE Board approves CCCFA JPA agreement  
  • Continue document development  
    • Power Supply Agreement  
    • Prepaid Agreement  
    • Assignment Agreement  
    • Repricing Agreement  
  • Bring commodity swap counterparty  
  • Review Preliminary Offering Statement (POS, i.e. Prospectus), market structure, commodity swap |
| May 2021   | • Rating agency conference calls  
  • Review POS, market structure, commodity swap  
  • Finalize all energy documents  
  • Review tax certification and analysis |
| June 2021  | • Finalize transaction size  
  • SVCE/EBCE Boards approve all transaction documents  
  • Finalize bond structure, tax analysis and operating documents  
  • Ratings reports released  
  • Begin marketing bonds |
| July 2021  | • Execute commodity Swap and prepaid agreement  
  • Price Bonds |
Recommendation

Staff recommends that the Board of Directors approve Resolution 2021-10 approving the California Community Choice Financing Authority (CCCFA) Joint Powers Agreement and authorizing the CEO to execute this Agreement.
Additional Background Slides
Glossary of Terms

**Power Purchase Agreement “PPA”** – contract to receive and pay for a specific type of energy (i.e. renewable solar, wind, etc.) at a specific price over the term of the contract (i.e. 15 years)

**Tax-exempt Prepayment** – payment in advance by a municipal utility for a number of years of contracted energy and financing the prepayment with tax-exempt debt

**“Novate”** – to assign a PPA contract to another party for some or all of the contract term

**“Recourse to...”** – secured or guaranteed by the referenced entity

**“Non-recourse...”** – not secured or guaranteed by the referenced entity

**“Conduit issuer”** – entity formed to issue debt but not responsible to repay the debt (non-recourse)
## Professionals Hired

<table>
<thead>
<tr>
<th>Role</th>
<th>Professional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Counsel: Represent bondholders</td>
<td>Orrick, Herrington &amp; Sutcliffe</td>
</tr>
<tr>
<td>Tax Counsel: Provide tax opinion on transaction</td>
<td>Orrick, Herrington &amp; Sutcliffe</td>
</tr>
<tr>
<td>Issuer’s Counsel: Support drafting and negotiating terms</td>
<td>Chapman &amp; Cutler LLP</td>
</tr>
<tr>
<td>Disclosure Counsel: Prepare Official Statement / Prospectus</td>
<td>Chapman &amp; Cutler LLP</td>
</tr>
<tr>
<td>Municipal Advisor: Advise Prepay Buyer in negotiations</td>
<td>Public Financial Management</td>
</tr>
</tbody>
</table>

- Bond Counsel: Orrick, Herrington & Sutcliffe - Role: Represent bondholders
- Tax Counsel: Orrick, Herrington & Sutcliffe - Role: Provide tax opinion on transaction
- Issuer’s Counsel (also known as Prepay Counsel or Prepaid Counsel): Chapman & Cutler LLP - Role: Represent issuer’s interests, supporting drafting and negotiating terms of prepay agreement and associated energy supply agreements
- Disclosure Counsel: Chapman & Cutler LLP - Role: Prepare Official Statement / Prospectus
- Municipal Advisor: Public Financial Management - Role: Advise Prepay Buyer in negotiations; required by Municipal Securities Rulemaking Board (MSRB)
Summary - Benefits and Risk Prepay Program

• Benefits
  ✓ Savings over the 30-year term expected to be 8% - 12% per year on power quantities delivered under the pre-pay structure compared to spot market purchases / current contracts
  ✓ Equates to ~$1.25 MM to $1.7 MM per year savings
  ✓ Favorable risk allocation where SVCE only pays for energy that is delivered (same as contracts today)
  ✓ Debt is non-recourse to SVCE
  ✓ Rating agencies comfortable with comparable deals at SMUD, SCPPA, others

• Risks
  – Loss of savings and back to square one
  – Lost investment of staff time
Fiscal Impact

• There is no negative fiscal impact to SVCE. Funds for the agreements shall be contingent upon the Board’s approval of the final Prepayment Transaction. Contracts would be paid directly from the proceeds from the sale of the bonds.

• Total fees estimated to be approximately ~$2.5 to $3.5 million for SVCE.
History and Tax Law Behind Municipal Prepaid Energy Transactions

- Municipal electric and gas utilities (and tax-exempt entities such as CCAs) in the US can prepay for a supply of electricity or natural gas from a taxable (corporate) entity and fund that prepayment with tax-exempt municipal bonds:
  - Must sell that commodity to their retail end-users that reside within their traditional service area.

- Prepayment transactions are legal and Codified in US Tax Law: Since first prepayments of natural gas were done in the early 1990’s, the IRS issued rules allowing tax-exempt prepayments and Congress enacted legislation specifically allowing the transactions (National Energy Policy Act of 2005; Section 1327).

- Over 90 municipal prepayment transactions totaling over $50 Billion have been completed in the US – over 95% of them for natural gas. Natural gas is much easier to “prepay” because the commodity is homogenous and is easy to store.

- Prepayments have saved utility ratepayers (natural gas, electricity from gas fired power plants and energy from renewable power projects) billions of $ in reduced rates and energy charges and will continue to do so over the 30-year life of the transactions.
Eleven Prepayments Totaling Over $5.7 Billion Have Been Completed in California

<table>
<thead>
<tr>
<th>Date</th>
<th>Amt. ($000)</th>
<th>Issuer</th>
<th>Description</th>
<th>Beneficiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/2007</td>
<td>757,055</td>
<td>Northern Ca Gas Auth No. 1</td>
<td>Nat. Gas</td>
<td>SMUD</td>
</tr>
<tr>
<td>9/2007</td>
<td>887,360</td>
<td>Long Beach Bond Fin Auth</td>
<td>Nat. Gas</td>
<td>City of Long Beach</td>
</tr>
<tr>
<td>10/2007</td>
<td>251,695</td>
<td>Long Beach Bond Fin. Auth</td>
<td>Nat. Gas</td>
<td>City of Long Beach</td>
</tr>
<tr>
<td>8/2009</td>
<td>901,620</td>
<td>M-S-R Energy Authority</td>
<td>Nat. Gas</td>
<td>MID/Redding/SVP</td>
</tr>
<tr>
<td>10/2009</td>
<td>514,160</td>
<td>So Ca Pub Power Auth (Windy Flats)</td>
<td>Elec (Wind)</td>
<td>LADWP, Mult. MOUs</td>
</tr>
<tr>
<td>2010/11</td>
<td>394,700</td>
<td>So Ca Pub Power Auth (Milford 1 &amp; 2)</td>
<td>Elec (Wind)</td>
<td>LADWP, Mult. MOUs</td>
</tr>
<tr>
<td>12/2018</td>
<td>539,615</td>
<td>Northern Ca Energy Auth</td>
<td>Gas/Elec</td>
<td>SMUD</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td><strong>5,717,815</strong></td>
</tr>
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</table>
1. Prepayments May Help SVCE Reduce Cost of Energy

• Same Tax-Law and similar transaction structure can be used to reduce the cost of electricity produced from renewable resources; though this same structure can be used to pre-pay other energy transactions too

• Opportunity to reduce Purchased Power costs by 8-12% through a prepayment of existing and future PPAs

• Prepayment structures have up to a 30-year term – the “longer the better” – to maximize savings and introduce minimal incremental risk to the CCA
2. Sample Transaction Terms

• Between SVCE and CCCFA which issues the bonds allowing for:
  - SVCE to assign long term power contracts into the program and purchase power at a discount to existing price

• Up to a 30-year agreement, subject to early termination if program terminates early

• Approximately 8-12% discount for initial reset period (first 5-7 years). Savings are generated by the difference between the taxable borrowing cost of the prepaid supplier (bank) and the tax-exempt rate on the bonds issued to fund the prepayment.
2. Transaction Terms (continued)

- SVCE will not be party to, responsible for, or account for any bond offering. If program terminates early or prepaid supplier fails to perform, the SVCE forgoes the future savings and assigned contracts return to status quo.

- Prepaid supplier (bank) is responsible for the tax-exempt debt. Debt associated with program is issued through a conduit (CCCFA) and is non-recourse to SVCE; does not impact SVCE’s balance sheet or credit metrics.

- The municipal conduit will issue tax-exempt bonds which will be refinanced in 5-7 years, subject to market conditions.

- If bank doesn’t perform, cannot remarket the bonds or if SVCE needs to exit prepay for some reason, the assigned contracts revert to SVCE at the original price and terms.
3. Getting Ready
Allows SVCE to transact when the spread between taxable and non-taxable interest rates are favorable

- Initial exploratory costs borne by SVCE should be minimal to review legal and regulatory questions regarding the prepayment

- SVCE and EBCE working with:
  - Prepaid Supplier, Morgan Stanley, to take prepayment and guaranty the bonds
  - Hired counsel and financial advisor to structure and negotiate transaction.

- Traditionally, these consultants and all other fees paid to complete the prepayment transaction would be paid from bond proceeds if and only if the transaction closes – so minimal financial risk to SVCE to initiate and negotiate a transaction.
Clean Energy Procurement Update

Authorize CEO to Execute 15-Year Power Purchase Agreement with San Luis West, LLC for Renewable Solar PV Supply (PCC1) and Storage and Any Necessary Ancillary Documents (Action)

Monica Padilla, Director of Power Resources
April 14, 2021
Spring 2020 Request for Proposals

- Goals & Requirements
  - RPS Eligible Resources
  - Meet Long-term RPS procurement mandate
  - Diversify technology, location and suppliers

April 2020
- Issued Joint RFP

June 2020
- Proposals Due

June – Aug 2020
- Evaluate, Score, Rank & Shortlist

September 2020 to present
- Negotiation of PPAs – Terms & Conditions

January 2021: Atlas Solar PPA – Approved
March 2021: Angela Solar + Storage PPA – Approved (from 2019 RFP)
April 2021: San Luis West Solar + Storage PPA – Seek Approval
May 2021: Approve remaining short-listed projects
### 2020 RFP Implementation Update

<table>
<thead>
<tr>
<th>Project/ Technology</th>
<th>Status</th>
<th>Approximate % of load in 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Altas Solar</td>
<td>Approved</td>
<td>3.8%</td>
</tr>
<tr>
<td>2  San Luis West Solar + Storage</td>
<td>Pending Approval</td>
<td>4.0%</td>
</tr>
<tr>
<td>3  Solar + Storage</td>
<td>under negotiations</td>
<td>7.0%</td>
</tr>
<tr>
<td>4  Wind</td>
<td>under negotiations</td>
<td>4.6%</td>
</tr>
<tr>
<td>6  Wind</td>
<td>under negotiations</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

**Total**                                **22.7%**

*actual amount to be determined*
# About San Luis West

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parent Company/Developer</strong></td>
<td>Origis Energy</td>
</tr>
<tr>
<td><strong>1 Product</strong></td>
<td>New Solar plus Battery Storage</td>
</tr>
<tr>
<td></td>
<td>Bucket 1 (PCC1) Renewable Energy w/Resource Adequacy</td>
</tr>
<tr>
<td><strong>2 Project Name</strong></td>
<td>San Luis West LLC</td>
</tr>
<tr>
<td><strong>3 Expected Delivery Term</strong></td>
<td>15 years</td>
</tr>
<tr>
<td></td>
<td>December 2023 through November 2038</td>
</tr>
<tr>
<td><strong>4 Location</strong></td>
<td>Fresno County, CA</td>
</tr>
<tr>
<td><strong>5 Average Annual Contract Capacity (SVCE’s share)</strong></td>
<td>62.5 MW Solar Photovoltaic (PV)</td>
</tr>
<tr>
<td></td>
<td>13.625 MW Battery (4-hour discharge duration)</td>
</tr>
<tr>
<td><strong>6 Percentage of Retail Load Served</strong></td>
<td>4% annually</td>
</tr>
<tr>
<td><strong>7 Contract Price Structure</strong></td>
<td>Fixed price ($/MWh) for PV plus fixed battery capacity payment ($ per kW-month). No escalator. Total amount not-to-exceed $74,000,000</td>
</tr>
</tbody>
</table>
## Executed Long-term RPS Contracts

<table>
<thead>
<tr>
<th>Project/Technology</th>
<th>Project/Technology</th>
<th>Approximate % of load in 2024</th>
<th>Term (years)</th>
<th>Lifetime Nominal contract cost (M$)</th>
<th>Average Annual Cost (M$)</th>
<th>Annual Cost as % of Power Supply Cost</th>
<th>Board Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slate</td>
<td>New Solar + Storage</td>
<td>6.7%</td>
<td>17</td>
<td>$198</td>
<td>$12</td>
<td>5%</td>
<td>Oct-18</td>
</tr>
<tr>
<td>Big Beau</td>
<td>New Solar + Storage</td>
<td>5.8%</td>
<td>20</td>
<td>$196</td>
<td>$10</td>
<td>4%</td>
<td>Oct-18</td>
</tr>
<tr>
<td>Ormat Casa Diablo</td>
<td>New Geothermal</td>
<td>1.4%</td>
<td>10</td>
<td>$43</td>
<td>$4</td>
<td>2%</td>
<td>Feb-20</td>
</tr>
<tr>
<td>Coso</td>
<td>Existing Geothermal</td>
<td>9.6%</td>
<td>15</td>
<td>$331</td>
<td>$22</td>
<td>9%</td>
<td>Mar-20</td>
</tr>
<tr>
<td>Rabbitbrush</td>
<td>New Solar + Storage</td>
<td>3.0%</td>
<td>15</td>
<td>$64</td>
<td>$4</td>
<td>2%</td>
<td>Apr-20</td>
</tr>
<tr>
<td>Yellow Pine</td>
<td>New Solar + Storage</td>
<td>4.1%</td>
<td>20</td>
<td>$128</td>
<td>$6</td>
<td>3%</td>
<td>May-20</td>
</tr>
<tr>
<td>Aratina</td>
<td>New Solar + Storage</td>
<td>6.6%</td>
<td>20</td>
<td>$174</td>
<td>$9</td>
<td>4%</td>
<td>Jun-20</td>
</tr>
<tr>
<td>Atlas</td>
<td>New Solar</td>
<td>3.8%</td>
<td>10</td>
<td>$27</td>
<td>$3</td>
<td>1%</td>
<td>Jan-21</td>
</tr>
<tr>
<td>Angela</td>
<td>New Solar + Storage</td>
<td>1.4%</td>
<td>15</td>
<td>$35</td>
<td>$2</td>
<td>1%</td>
<td>Mar-21</td>
</tr>
<tr>
<td><strong>Total before San Luis West</strong></td>
<td></td>
<td><strong>42%</strong></td>
<td></td>
<td><strong>$1,196</strong></td>
<td><strong>$72</strong></td>
<td><strong>30%</strong></td>
<td></td>
</tr>
<tr>
<td>San Luis West</td>
<td>New Solar + Storage</td>
<td>4%</td>
<td>15</td>
<td>$74</td>
<td>$5</td>
<td>2%</td>
<td>pending</td>
</tr>
<tr>
<td><strong>Total with San Luis West</strong></td>
<td></td>
<td><strong>46%</strong></td>
<td></td>
<td><strong>$1,270</strong></td>
<td><strong>$77</strong></td>
<td><strong>32%</strong></td>
<td></td>
</tr>
</tbody>
</table>
# Compliance with Long-term Procurement Mandate

<table>
<thead>
<tr>
<th>Compliance Period</th>
<th>CP#4 2021-2024</th>
<th>CP#5 2025-2027</th>
<th>CP#6 2028-2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. State Mandated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RPS per Compliance Period - % of Retail Sales</td>
<td>40%</td>
<td>50%</td>
<td>57%</td>
</tr>
<tr>
<td>2. State Mandated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of Mandated RPS (Row #1) to be Contracted Under RPS Long-term Contracts</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
</tr>
<tr>
<td>3. State Mandated</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Sales % with Long-term Contracts (Row 2 * Row 1)</td>
<td>26%</td>
<td>33%</td>
<td>37%</td>
</tr>
<tr>
<td>4. SVCE Compliance with (Row #3): CURRENT</td>
<td>27.6%</td>
<td>41%</td>
<td>38%</td>
</tr>
<tr>
<td>5. SVCE Compliance with (Row #3): PROPOSED w/San Luis West</td>
<td>28.8%</td>
<td>45%</td>
<td>42%</td>
</tr>
</tbody>
</table>

SVCE target is 5% above State Mandated
SVCE Clean Energy Net Open Position (NOP) 2021-2030

- Clean Energy NOP
- Carbon-free, Non-RPS Resources
- Short-term RPS
- San Luis West Solar+Storage
- RPS LT PPAs

Cumulative GWH
Request – San Luis West

Authorize the Chief Executive Officer (CEO) to Execute Power Purchase Agreement (PPA) with San Luis West, LLC in substantial form and any necessary ancillary agreements and documents with the following key terms:

• 62.5 MW of Solar photovoltaic (PV) supply with 15.625 MW of energy storage qualifying as Portfolio Category Content One (PCC1) renewable resource;
• 15-Year term power delivery – expected December 1, 2023 through November 30, 2038; and
• Total amount not-to-exceed $74,000,000.
Questions?