George Tyson, Chair
Town of Los Altos Hills

Tina Walia, Vice Chair
City of Saratoga

Elliot Scozzola
City of Campbell

Sheila Mohan
City of Cupertino

Zach Hilton
City of Gilroy

Sally Meadows
City of Los Altos

Rob Rennie
Town of Los Gatos

Evelyn Chua
City of Milpitas

Bryan Mekechuk
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Margaret Abe-Koga
City of Mountain View

Larry Klein
City of Sunnyvale

Otto Lee
County of Santa Clara

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, October 11, 2023
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

2302 Zanker Road
San Jose, CA

Teleconference Meeting
Webinar:
https://cityofcupertino.zoom.us/j/99156454017

Telephone (Audio Only):
US: +1 669-900-6833
Webinar ID: 991 5645 4017

Members of the public may also attend this meeting in person, or observe this meeting electronically by accessing the meeting via instructions above. Public Comments can be sent in advance of the meeting via email up to three hours before the meeting begins to Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org and will be distributed to the Board of Directors. The public will also have an opportunity to provide comments during the meeting. Members of the public participating remotely and using Zoom may comment during public comment or the applicable agenda item by using the Raise Hand feature and you will be recognized by the Chair. Those using the telephone (audio only) feature should press star 9 on your phones to initiate the "Raise Hand" function in Zoom. You will then be announced, unmuted, and your time to speak will begin.

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.

AGENDA

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).

SILICON VALLEY CLEAN ENERGY

George Tyson, Chair
Town of Los Altos Hills

Tina Walia, Vice Chair
City of Saratoga

Elliot Scozzola
City of Campbell

Sheila Mohan
City of Cupertino

Zach Hilton
City of Gilroy

Sally Meadows
City of Los Altos

Rob Rennie
Town of Los Gatos

Evelyn Chua
City of Milpitas

Bryan Mekechuk
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Margaret Abe-Koga
City of Mountain View

Larry Klein
City of Sunnyvale

Otto Lee
County of Santa Clara

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any matter not listed on the Agenda provided that 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 13, 2023, Board of Directors Meeting

1b) Receive August 2023 Treasurer Report

1c) Adopt FY24 Strategic Work Plan

1d) Receive FY23 Q4 Decarbonization Strategy and Programs Quarterly Report

1e) Authorize the Chief Executive Officer to Execute a 3-Year Agreement with Itron, Inc. for Long-term Load Forecast and Software

1f) Audit Committee Report

1g) Finance and Administration Committee Report

1h) California Community Power Report

1i) Additional Committee Reports

Regular Calendar

2) CEO Report (Discussion)

3) Authorize the Chief Executive Officer to Execute Agreements with Firms Providing Services to Enable SVCE to Execute its Third Prepay and to Execute the Power Supply Contract with the California Community Choice Financing Authority and Related Supporting Agreements (Action)

4) Study Session: Decarbonization Programs and Policy Overview of Residential Buildings (Discussion)

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

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

George Tyson, Chair
Town of Los Altos Hills

Tina Walia, Vice Chair
City of Saratoga

Elliot Scozzola
City of Campbell

Sheila Mohan
City of Cupertino

Zach Hilton
City of Gilroy

Sally Meadows
City of Los Altos

Rob Rennie
Town of Los Gatos

Evelyn Chua
City of Milpitas

Bryan Mekechuk
City of Monte Sereno

Yvonne Martinez Beltran
City of Morgan Hill

Margaret Abe-Koga
City of Mountain View

Larry Klein
City of Sunnyvale

Otto Lee
County of Santa Clara

Board Member Announcements and Direction on Future Agenda Items

Adjourn

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

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

Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, September 13, 2023
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

Administrative Conference Room, Gilroy City Hall
7351 Rosanna St.
Gilroy, CA 95020

Morgan Hill City Hall
17575 Peak Ave.
Morgan Hill, CA 95037

DRAFT MEETING MINUTES

Call to Order:
Chair Tyson called the meeting to order at 7:01 p.m.

Prior to Roll Call, Director Mohan made a statement that she was appearing remotely pursuant to AB 2449 under the Just Cause provision because she was unable to attend in person due to a physical disability that could not be accommodated. Director Mohan noted there were no other individuals present in the room with her.

Roll Call
Present:
George Tyson (Chair), Los Altos Hills
Tina Walia (Vice Chair), Saratoga
Elliot Scozzola, Campbell
Sheila Mohan, Cupertino (Participated via teleconference)
Zachary Hilton, Gilroy (Participated via teleconference)
Sally Meadows, Los Altos
Rob Rennie, Los Gatos
Bryan Mekechuk, Monte Sereno
Yvonne Martinez Beltran, Morgan Hill (Participated via teleconference)
Margaret Abe-Koga, Mountain View (Arrived at 7:13 p.m.)
Murali Srinivasan, Sunnyvale
Otto Lee, Santa Clara County

Absent:
Evelyn Chua, Milpitas

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

Consent Calendar

Trisha Ortiz, General Counsel, announced prior to taking action, the Brown Act requires a verbal report of a summary of an adoption of a salary schedule or compensation paid to an agency executive. General Counsel Ortiz reported that on the Consent Calendar there were two items that needed to be summarized:
Item 1c) Approve Amendment No. 6 to Employment Agreement for Chief Executive Officer, that extends the contract, includes two terms related to compensation, provides for reimbursement of travel expenses, and provides for a $50,000 retention payment, and
Item 1d) Adopt Salary Scale for Chief Executive Officer, with a proposed salary schedule of $325,000 to $450,000.

1a) Approve Minutes of the August 9, 2023, Board of Directors Meeting
1b) Receive July 2023 Treasurer Report
1c) Approve Amendment No. 6 to Employment Agreement for Chief Executive Officer
1d) Adopt Salary Scale for Chief Executive Officer
1e) Adopt Resolution Establishing October 4, 2023 as Clean Air Day
1f) Authorize the Chief Executive Officer to Execute an Agreement for FY23-24 with HBT Energy Management LLC for Power Resource Management Services
1g) Authorize the Chief Executive Officer to Execute an Agreement for FY23-24 with Richards, Watson & Gershon for Legal Services
1h) Authorize the Chief Executive Officer to Execute Agreement with Maher Accountancy for Accountant Services
1i) SVCE 2022 Annual Power Source Disclosure Report Attestation
1j) Authorize the Chief Executive Officer to Execute a Second Amendment to the PCE Cost Share Agreement for Technical Support for the Reach Code Program
1k) Executive Committee Report
1l) California Community Power Report
1m) Audit Committee Reports

MOTION: Director Mekechuk moved and Director Martinez Beltran seconded the motion to approve the Consent Calendar, Items 1a through 1m.

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

The motion carried by verbal roll call vote with Directors Abe-Koga and Chua absent.

Regular Calendar

2) CEO Report (Discussion)

Chair Tyson announced that since the last meeting, CEO Girish Balachandran announced his intention to retire effective March 2024.

CEO Balachandran's report included the following:

1) Announcement of promotions of the following staff:
   a. Bena Chang, Director of Government and Legislative Affairs,
   b. Pamela Leonard, Deputy Director of Marketing and Communications, and
   c. Nik Zanotto, Senior Manager of IT and Administrative Services

   Announcement of the hiring of a new Human Resources Director who would be introduced at the next Board meeting;

2) An announcement that CEO Balachandran would be on vacation for the month of October, where COO Monica Padilla would serve as Acting CEO.
3) Introduction of new SVCE employees:
   Joey Lande, Energy Services Principal,
   Juli Miller, ESCR Climate Corp Fellow, and
   Sophia Zhang, 4PRO Climate Corp Fellow

   All provided brief welcome comments.
4) An update from Director of Government and Legislative Affairs, Bena Chang, on the Budget Trailer Bill on reliability, who responded to board member questions;
5) Highlight of SVCE's 2022 GHG Inventory Update from Rebecca Fang, Manager of Data and Analytics and Justin Zagunis, Director of Decarbonization Programs and Policy, who responded to board member questions regarding the results.

Chair Tyson opened Public Comment.
No speakers.
Chair Tyson closed Public Comment.

3) Update on Strategic Plan and Adopt FY24 SVCE Focus Areas (Action)

CEO Balachandran presented an update on the Strategic Plan and proposed focus areas, noting there had been one addition from the last presentation in June under Attract and Retain Employees (Hire a new CEO).

Chair Tyson opened Public Comment.
No speakers.
Chair Tyson closed Public Comment.

MOTION: Director Mekechuk moved and Vice Chair Walia seconded the motion to adopt the FY24 Strategic Focus Areas:
Expand Clean and Reliable Grid Actions;
Expand Customer Base & Interaction;
Accelerate Building & Transportation Electrification;
Implement Innovative Financing Solutions; and
Attract & Retain Employees

The motion carried by verbal roll call vote with Director Chua absent.

4) Adopt the FY 2023-24 Recommended Operating Budget and Updated Reserves Policy (Action)

Amrit Singh, CFO and Director of Administrative Services, provided a presentation on the FY 23-24 recommended operating budget and revised reserves policy. The main areas of discussion in the presentation were to recap the budget process and timeline, recap key messages, and review the recommended budget.

Staff responded to board member questions and comments regarding electricity prices and the proposed reserve target change from 285 days cash on hand to 300.

Chair Tyson opened Public Comment.
No speakers.
Chair Tyson closed Public Comment.

MOTION: Director Martinez Beltran moved and Director Abe-Koga seconded the motion to adopt Resolution 2023-16 approving the fiscal year 2023-24 Operating Budget and approve the updated Reserves Policy that increases the reserve target from 285 days of cash on hand to 300.

The motion carried by verbal roll call vote with Director Chua absent.

Board Member Announcements and Future Agenda Items

Director Meadows thanked Director of Decarbonization Programs and Policy Zagunis for attending the Los Altos Hills City Council Meeting on September 12, 2023 to present the Electric Showcase Award.

Vice Chair Walia thanked CEO Balachandran for attending the September 6, 2023 Saratoga City Council Meeting and noted it was good to have a presentation for the Electric Showcase Award at the beginning of the meeting for awareness to other members of the public in attendance at the meeting.

CEO Balachandran thanked SVCE staff members Michaela Pippin, Pamela Leonard, and Bena Chang for their work on coordinating the Electric Showcase Award presentations at member agency council meetings.

Director Mekechuk announced the City of Monte Sereno's picnic was held August 27, 2023, and noted residents learned a lot about SVCE and the move to clean energy, and commented SVCE's fiscal year would be ending September 30, 2023 and SVCE's Audit Committee would be meeting September 19, 2023. CEO Balachandran thanked SVCE staff member Juliette Pascual for her work at the picnic and noted SVCE's Ford F-150 Lightning Electric Truck was at the picnic and would also be brought to the next board meeting in October.

Director Lee announced on October 14, 2023, Santa Clara County would be hosting a free community event, Day on the Bay, in Alviso from 10am – 3pm; Director Lee thanked SVCE for sponsoring the solar stage. Director Lee shared his positive experience in using an induction cooktop, which he noted is his new favorite appliance.

Director Martinez Beltran announced the City of Morgan Hill held a groundbreaking ceremony September 12, 2023 for its new all-electric fire station, and shared her gratitude to SVCE for the grant that contributed to funding the project.

Alternate Director Srinivasan thanked CEO Balachandran for attending the City of Sunnyvale's City Council meeting September 12, 2023 to present the Electric Showcase Awards.

CEO Balachandran announced there will be an Electric Homes Tour on October 14, 2023, the same day as Director Lee's event, and noted an invitation had been sent to board members.

Chair Tyson announced that the Closed Session item scheduled for the evening, Public Employee Appointment, Title: Chief Executive Officer, would not be heard.

Adjourn

Chair Tyson adjourned the meeting at 8:11 p.m.

ATTEST:

_____

Andrea Pizano, Board Secretary

TREASURER REPORT

Fiscal Year to Date
As of August 31, 2023

(Preliminary & Unaudited)

Issue Date: October 11, 2023

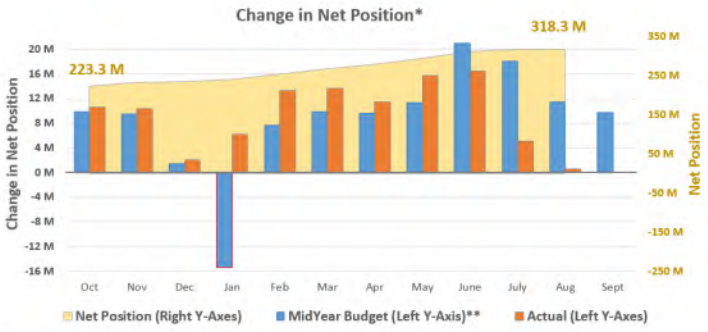
Table of Contents

	Page
Summary	2-3
Statement of Net Position	4
Statement of Revenues, Expenses & Changes in Net Position	5
Statement of Cash Flows	6-7
Actuals to Budget Report	8-10
Monthly Change in Net Position	11
Investments Report	12
Customer Accounts	13
Accounts Receivable Aging Report	13
Certificate of Compliance	14
SVCE Managed Account & Security Transactions	15-16

SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights* ($ in millions)
August 31, 2023

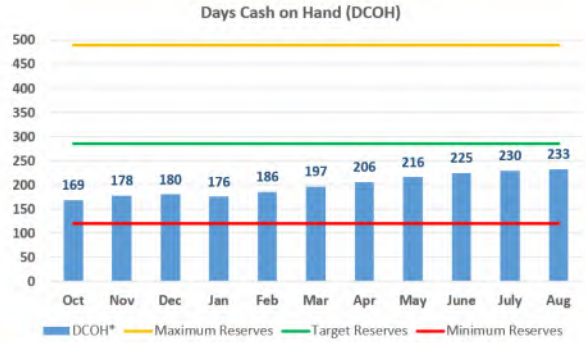
Balance Sheet Highlights:

> **SVCE operations resulted in a change in net position of $541 thousand for the month of August and $105.6 million for fiscal-year-to-date (FYTD).***
> **Total Net Position increased further to $318.3 M**
> **SVCE is investing ~95% of available funds generating FYTD interest/dividend income of $7.4 million.**



*Does not yet recognize unspent program dollars

**For reconciliation purposes, budget numbers include actual program expenses and depreciation, exclude GASP 87 expenses.



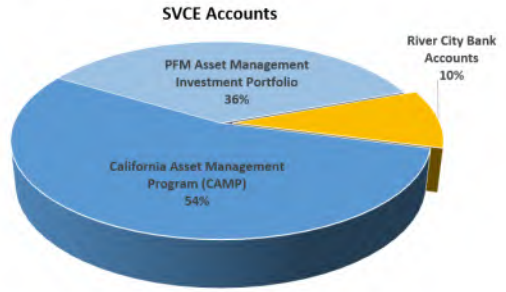
*Adjusted to reflect Mid-year budget adjustments and additional program funding

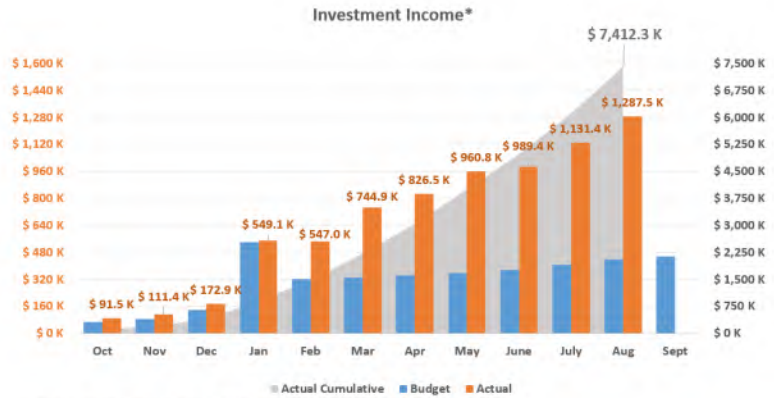
SVCE Yield-bearing Accounts:

Combined Ending Balance	249.3 M
Total Interest/Div. Earned FYTD	7.3 M
Average Return On Investments**	5.2%

* Includes River Bank accounts - Money Market, Collateral and ICS; CAMP; PFM Portfolio

** Average annualized Yield for the current month





*Includes investment income from SVCE Yield-bearing accounts plus interest on cash collateral

SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights** ($ in millions)
August 31, 2023

Summary of Actual Results vs. Budget (includes allocated but unspent program dollars):

> FYTD operating margin of $117.8 million or 26.1% is slightly above amended budget expectations of 25.6% operating margin for the fiscal year to date.
> FYTD Power Supply costs are -4.3% below mid-year budget.
> Retail GWh sales for the month and FYTD landed -4.9% and -1.3% below budget respectively.

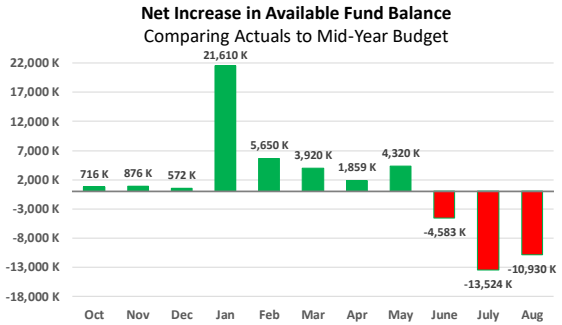
Variance Explanation:

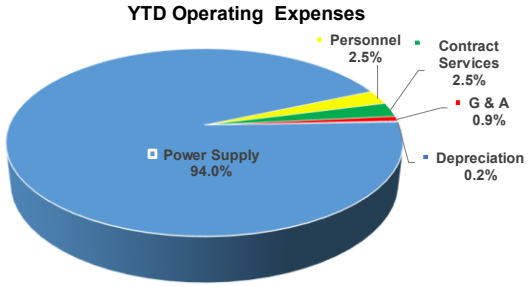
January *- the variance mainly reflects a big drop in prices from December'22 to January'23 resulting in $21.5M net power cost savings comparing to MY Budget estimations*

March *- mainly reflects stronger revenues due to higher than anticipated customer load*

February, April & May *- mainly reflects the below budget net power supply cost and savings in all categories of other operating expenses.*

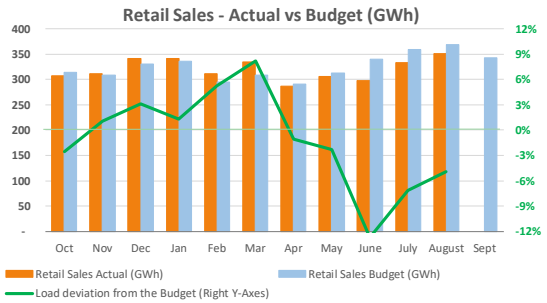
June, July, August *- lower than estimated customer load due to below historic-average temperatures; significantly higher RA prices and energy hedging costs.*

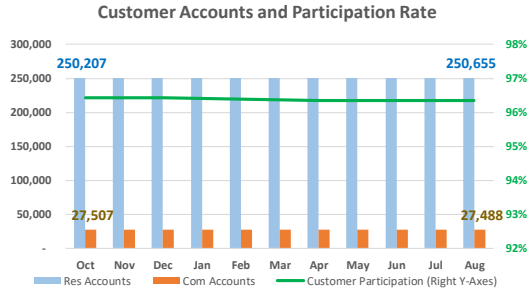




$ in thousands	August Actual	August Budget	August % Dif	Fiscal YTD Actual	Fiscal YTD Budget	Fiscal YTD % Dif	Main Drivers:
Revenue	55.4 M	59.1 M	-6.4%	451.7 M	468.8 M	-3.7%	• -13%, -7% and -5% lower than budgeted customer load for June, July and August respectively.
Power Supply Cost	54.1 M	45.4 M	19.0%	333.9 M	348.9 M	-4.3%	• *Significantly higher RA prices and energy hedging costs offset by lower net open position FYTD.*
Operating Margin	1.3 M	13.7 M	-90.5%	117.8 M	119.9 M	-1.7%	
Operating Expenses (ex Power)	1.7 M	2.3 M	-26.5%	18.1 M	25.3 M	-28.2%	• *Staffing vacancies, underrunning professional services, and lower marketing expenses*
Other Non-Op. Expen. (Income)	-1.3 M	-0.4 M	204.3%	117.8 M	119.9 M	-1.7%	• *Reflects higher Interest Income*
Net Increase in Available Fund Balance	0.9 M	11.8 M	-92.3%	74.8 M	63.6 M	17.6%	

Customer Load Statistics:





Total Accounts	**278,143**
Opt-Out Accounts (Month)	**74**
Opt-Out Accounts (FYTD)	**857**
Opt-Up Accounts (Month)	**(2)**
Opt-Up Accounts (FYTD)	**(35)**

Program Funds:

	Beginning Balance	End Balance	YTD Contributions	YTD Expenditures
General Program Fund	$ 28,536,229	$ 47,195,691	$ 21,165,000	$ 2,505,538
CRCR Fund*	$ 7,982,993	$ 8,479,118	$ 3,600,000	$ 3,103,875
Electrification Discount Fund	$ -	$ 9,500,000	$ 9,500,000	$ -

** Customer Relief and Community Resilience Fund*

*** The financial results in this report are preliminary and subject to change pending closing of the books for the fiscal year. Any potential changes are not expected to be significant.*

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION
As of August 31, 2023

ASSETS

Current Assets		
Cash & Cash Equivalents	$	260,576,105
Accounts Receivable, net of allowance		44,427,240
Investments		17,515,530
Accrued Revenue		32,363,865
Other Receivables		4,403,931
Prepaid Expenses		1,478,845
Deposits		25,580,781
Restricted cash		163,580
Total Current Assets		**386,509,877**
Noncurrent assets		
Capital assets, net of depreciation		419,639
Investments		26,981,000
Lease asset, net of amortization		882,750
Deposits		45,130
Total Noncurrent Assets		**28,328,519**
Total Assets		**414,838,396**

LIABILITIES

Current Liabilities	
Accounts Payable	809,925
Accrued Cost of Electricity	75,752,948
Other accrued liabilities	2,256,400
User Taxes and Energy Surcharges due to other gov'ts	1,647,528
Supplier security deposits	8,051,250
Lease liability	506,306
Total Current Liabilities	**89,024,357**
Noncurrent Liabilities	
Supplier security deposits	7,100,000
Lease liability	446,491
Total noncurrent liabilities	**7,546,491**
Total Liabilities	**96,570,848**

NET POSITION

Net investment in capital assets	349,592
Restricted for security collateral	163,580
Unrestricted (deficit)	317,754,376
Total Net Position	**$ 318,267,548**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2022 through August 31, 2023

OPERATING REVENUES	
Electricity Sales, Net	$ 450,603,547
GreenPrime electricity premium	1,323,262
Liquidated damages	1,134,600
Other income	47,406
TOTAL OPERATING REVENUES	**453,108,815**
OPERATING EXPENSES	
Cost of Electricity	333,879,309
Contract services	9,346,559
Staff compensation and benefits	8,786,323
Other operating expenses	3,048,837
Depreciation	567,752
TOTAL OPERATING EXPENSES	**355,628,780**
OPERATING INCOME(LOSS)	**97,480,035**
NONOPERATING REVENUES (EXPENSES)	
Grant income	716,553
Interest Income	7,412,262
Financing costs	(24,824)
TOTAL NONOPERATING REVENUES (EXPENSES)	**8,103,991**
CHANGE IN NET POSITION	105,584,026
Net Position at beginning of period	212,683,522
Net Position at end of period	**$ 318,267,548**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2022 through August 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 464,675,508
Receipts from liquidated damages	1,134,600
Other operating receipts	28,883,263
Payments to suppliers for electricity	(333,572,162)
Payments for other goods and services	(13,551,982)
Payments for staff compensation and benefits	(8,525,099)
Tax and surcharge payments to other governments	(7,707,075)
Net cash provided (used) by operating activities	**131,337,053**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Grant revenue received	716,553
Finance costs paid	(1,925)
Net cash provided (used) by financing activities	**714,628**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments of lease liability	(464,245)
Acquisition of capital assets	(188,270)
Net cash provided (used) by capital and related financing activities	**(652,515)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(44,496,530)
Interest income received	6,001,276
Net cash provided (used) by investing activities	**(38,495,254)**
Net change in cash and cash equivalents	92,903,912
Cash and cash equivalents at beginning of year	167,835,773
Cash and cash equivalents at end of period	**$ 260,739,685**
Reconciliation to the Statement of Net Position	
Cash and cash equivalents (unrestricted)	$ 260,576,105
Restricted cash	163,580
Cash and cash equivalents	**$ 260,739,685**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)
October 1, 2022 through August 31, 2023

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

Operating Income (loss)	$	97,480,035
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense		567,752
(Increase) decrease in accounts receivable		11,235,982
(Increase) decrease in other receivables		(2,911,231)
(Increase) decrease in accrued revenue		(6,855,167)
(Increase) decrease in prepaid expenses		(500,917)
(Increase) decrease in current deposits		(5,015,460)
Increase (decrease) in accounts payable		(197,883)
Increase (decrease) in accrued cost of electricity		33,728,412
Increase (decrease) in accrued liabilities		1,162,325
Increase (decrease) in energy settlements payable		5,969,674
Increase (decrease) in taxes and surcharges due to other governments		(46,469)
Increase (decrease) in supplier security deposits		(3,280,000)
Net cash provided (used) by operating activities	**$**	**131,337,053**

SILICON VALLEY CLEAN ENERGY AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2022 through August 31, 2023

	FYTD	FYTD	Variance		FY 2022-23	FY 2022-23
OPERATING REVENUES	**Actual**	**Budget**	**$**	**%**	**Budget**	**Remaining Budget**
Energy Sales	$449,214,412	$467,811,683	-$18,597,271	-4%	$522,853,000	$73,638,588
Green Prime Premium	1,323,262	977,696	$345,566	35%	1,055,000	(268,262)
Liquidated damages	1,134,600	-	$1,134,600	n/a	-	-
Other Income	49,806	45,833	3,973	9%	50,000	194
TOTAL OPERATING REVENUES	**451,722,080**	**468,835,212**	**(17,113,132)**	**-4%**	**523,958,000**	**73,370,520**
ENERGY EXPENSES						
Power Supply	333,879,309	348,938,209	(15,058,900)	-4%	392,436,000	58,556,691
Operating Margin	**117,842,771**	**119,897,003**	**(2,054,232)**	**-2%**	**131,522,000**	**14,813,829**
OPERATING EXPENSES						
Data Management	2,729,813	3,128,125	(398,312)	-13%	3,413,000	683,187
PG&E Fees	1,081,148	1,347,500	(266,352)	-20%	1,470,000	388,852
Salaries & Benefits	8,786,323	10,344,473	(1,558,150)	-15%	11,285,000	2,498,677
Professional Services	2,868,888	7,371,131	(4,502,243)	-61%	8,016,000	5,147,112
Marketing & Promotions	613,416	790,968	(177,552)	-22%	862,000	248,584
Notifications	153,344	120,313	33,031	27%	131,000	(22,344)
Lease	475,219	481,250	(6,031)	-1%	525,000	49,781
General & Administrative	1,436,488	1,702,374	(265,886)	-16%	1,857,000	420,512
TOTAL OPERATING EXPENSES	**18,144,639**	**25,286,134**	**(7,141,495)**	**-28%**	**27,559,000**	**9,414,361**
OPERATING INCOME/(LOSS)	**99,698,132**	**94,610,869**	**5,087,263**	**5%**	**103,963,000**	**4,264,868**
NON-OPERATING REVENUES						
Investment Income	7,412,262	3,416,076	3,996,186	117%	3,870,000	(3,542,262)
TOTAL NON-OPERATING REVENUES	**7,412,262**	**3,416,076**	**3,996,186**	**117%**	**3,870,000**	**(3,542,262)**
NON-OPERATING EXPENSES						
Financing	1,925	2,750	(825)	-30%	3,000	1,075
CAPITAL EXPENDITURES, TRANSFERS, & OTHER						
Capital Outlay	188,270	183,333	4,937	3%	200,000	11,730
Transfer to Programs Fund	9,765,000	9,765,000	-	0%	9,765,000	-
Nuclear Allocation	1,900,000	1,900,000	-	0%	1,900,000	-
Multi Family Discount Programs	9,500,000	9,500,000	-	0%	9,500,000	-
Electrification Discount Programs	9,500,000	9,500,000	-	0%	9,500,000	-
Transfer to CRCR Fund	3,600,000	3,600,000	-	0%	3,600,000	-
Transfer from CRCR Fund - customer bill relief	(2,105,688)	-	(2,105,688)	n/a	-	2,105,688
TOTAL OTHER USES	**32,347,582**	**34,448,333**	**(2,100,751)**	**-6%**	**34,465,000**	**2,117,418**
NET INCREASE(DECREASE) IN AVAILABLE FUND BALANCE	**$74,760,887**	**$63,575,862**	**$11,185,025**	**18%**	**$73,365,000**	

SILICON VALLEY CLEAN ENERGY AUTHORITY
PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2022 through August 31, 2023

REVENUE & OTHER SOURCES:	BUDGET	ACTUAL	ADOPTED BUDGET REMAINING	ACTUAL/ ADOPTED BUDGET
Transfers in - General Programs	$ 9,765,000	$ 9,765,000	$ -	100.0%
Transfers in - Nuclear Allocation	$ 1,900,000	$ 1,900,000	$ -	100.0%
Transfers in - Multi-Family DI	$ 9,500,000	$ 9,500,000	$ -	100.0%
Total	$ 21,165,000	$ 21,165,000	$ -	
EXPENDITURES & OTHER USES:				
Program expenditures*	15,007,082	2,505,538	12,501,544	16.7%
Net increase (decrease) in fund balance	**$ 6,157,918**	**$18,659,462**		
Fund balance at beginning of period		28,536,229		
Fund balance at end of period		$47,195,691		

CUSTOMER RELIEF & COMMUNITY RESILIENCY FUND
BUDGETARY COMPARISON SCHEDULE*
October 1, 2022 through August 31, 2023

REVENUE & OTHER SOURCES:	BUDGET	ACTUAL	ADOPTED BUDGET REMAINING	ACTUAL/ ADOPTED BUDGET
Transfer from Operating Fund	$ 3,600,000	$ 3,600,000	$ -	100.0%
EXPENDITURES & OTHER USES:				
Customer bill relief credit	3,600,000	2,105,688	1,494,312	58.5%
Other program expenditures	3,119,875	998,187	2,121,688	32.0%
Total Program expenditures	6,719,875	3,103,875	3,616,000	
Net increase (decrease) in fund balance	**$ (3,119,875)**	**2,601,813**		
Fund balance at beginning of period		7,982,993		
Fund balance at end of period		$10,584,806		

ELECTRIFICATION DISCOUNT FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2022 through August 31, 2023

REVENUE & OTHER SOURCES:	BUDGET	ACTUAL	ADOPTED BUDGET REMAINING	ACTUAL/ ADOPTED BUDGET
Transfer from Operating Fund *	$ 9,500,000.00	$ 9,500,000.00	$ -	100.0%
EXPENDITURES & OTHER USES:				
Program expenditures *	100,000	-	100,000	0.0%
Net increase (decrease) in fund balance	**$ 9,400,000**	**9,500,000**		
Fund balance at beginning of period		-		
Fund balance at end of period		$9,500,000		

SILICON VALLEY CLEAN ENERGY AUTHORITY

OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2022 through August 31, 2023

Net Increase (decrease) in available fund balance per budgetary comparison schedule	$	74,760,887
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position		
Subtract depreciation expense		(567,752)
Subract program expense not in operating budget		(3,503,725)
Add back GASB 87 expenses not in operating budget		441,346
Add back transfer to Program fund		34,265,000
Add back capital asset acquisition		188,270
Change in Net Position		**105,584,026**

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2022 through August 31, 2023

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
OPERATING REVENUES													
Electricity sales, net	$ 35,283,024	$ 33,596,659	$ 39,756,116	$ 42,320,931	$ 40,149,296	$ 40,246,959	$ 33,407,866	$ 37,591,795	$ 44,585,837	$ 48,413,010	$ 55,252,054		$ 450,603,547
Green electricity premium	133,572	123,147	130,539	120,693	101,229	127,670	107,631	116,789	131,297	110,751	119,944		1,323,262
Liquidated damages	-	-	-	-	-	-	-	-	1,134,600	-	-		1,134,600
Other Income	2,250	15,255	-	2,250	5,651	2,750	1,000	3,500	3,000	7,250	4,500		47,406
Total operating revenues	35,418,846	33,735,061	39,886,655	42,443,874	40,256,176	40,377,379	33,516,497	37,712,084	45,854,734	48,531,011	55,376,498	-	453,108,815
OPERATING EXPENSES													
Cost of electricity	23,218,378	21,819,493	35,364,953	35,834,118	26,012,142	25,276,392	20,879,201	20,825,057	28,176,368	42,397,025	54,076,182		333,879,309
Staff compensation and benefits	656,536	673,219	792,543	742,292	723,137	787,636	861,508	945,539	871,530	857,057	875,326		8,786,323
Data manager	265,853	265,687	265,535	265,615	266,006	266,325	266,110	266,680	267,286	267,340	67,376		2,729,813
Service fees - PG&E	98,200	98,021	98,152	98,182	98,159	98,157	98,346	98,412	98,359	98,678	98,482		1,081,148
Consultants and other professional fees	410,507	374,917	575,873	298,921	372,763	700,446	514,729	561,112	551,868	581,451	593,011		5,535,598
Other operating expenses	200,337	182,040	881,981	206,710	(17,169)	220,350	210,747	167,925	399,865	238,213	357,838		3,048,837
Depreciation	50,510	50,510	50,449	50,397	50,866	50,927	51,428	53,208	53,250	53,208	52,999		567,752
Total operating expenses	24,900,321	23,463,887	38,029,486	37,496,235	27,505,904	27,400,233	22,882,069	22,917,933	30,418,526	44,492,972	56,121,214	-	355,628,780
Operating income (loss)	10,518,525	10,271,174	1,857,169	4,947,639	12,750,272	12,977,146	10,634,428	14,794,151	15,436,208	4,038,039	(744,716)	-	97,480,035
NONOPERATING REVENUES (EXPENSES)													
Grant income	-	-	-	716,553	-	-	-	-	-	-	-		716,553
Interest income	91,459	111,370	172,923	549,063	546,985	744,934	826,490	960,822	989,361	1,131,353	1,287,502		7,412,262
Financing costs	(2,428)	(2,359)	(4,010)	(2,251)	(2,152)	(2,083)	(2,023)	(2,078)	(1,884)	(1,814)	(1,742)		(24,824)
Total nonoperating revenues (expenses)	89,031	109,011	168,913	1,263,365	544,833	742,851	824,467	958,744	987,477	1,129,539	1,285,760	-	8,103,991
CHANGE IN NET POSITION	**$ 10,607,556**	**$ 10,380,185**	**$ 2,026,082**	**$ 6,211,004**	**$ 13,295,105**	**$ 13,719,997**	**$ 11,458,895**	**$ 15,752,895**	**$ 16,423,685**	**$ 5,167,578**	**$ 541,044**	**$ -**	**$ 105,584,026**

SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY
October 1, 2022 through August 31, 2023

Ending Balance of SVCE Accounts:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	$ 208,116,692	$ 221,541,600	$ 227,161,983	$ 70,193,524	$ 66,497,950	$ 45,850,620	$ 23,833,640	$ 43,723,703	$ 26,483,735	$ 42,080,801	$ 29,477,603	$ -
California Asset Management Program (CAMP)	$ -	$ -	$ -	$ 140,486,848	$ 140,996,992	$ 177,721,225	$ 216,512,539	$ 209,946,658	$ 244,922,370	$ 246,027,861	$ 166,966,244	$ -
PFM Asset Management Investment Portfolio	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 110,067,184	$ -
Total Ending Balance	**$ 208,116,692**	**$ 221,541,600**	**$ 227,161,983**	**$ 210,680,372**	**$ 207,494,943**	**$ 223,571,844**	**$ 240,346,179**	**$ 253,670,362**	**$ 271,406,105**	**$ 288,108,662**	**$ 306,511,031**	**$ -**

Return On Investments:

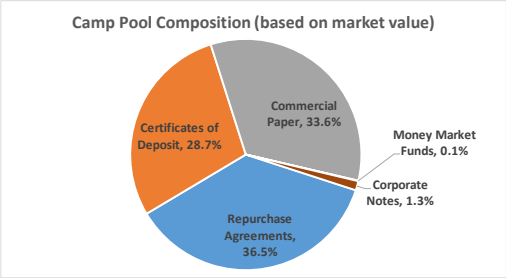
Annual % Yield	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	0.50%	0.58%	0.85%	1.07%	1.44%	2.39%	2.77%	2.85%	2.97%	3.06%	3.15%	
California Asset Management Program (CAMP)	0.00%	0.00%	0.00%	4.53%	4.73%	4.80%	4.97%	5.16%	5.24%	5.31%	5.52%	
PFM Asset Management Investment Portfolio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.34%	
Average Return On Investments:	**0.50%**	**0.58%**	**0.85%**	**3.38%**	**3.68%**	**4.31%**	**4.75%**	**4.76%**	**5.02%**	**4.98%**	**5.23%**	

Interest Earned	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	$ 67,811	$ 86,193	$ 139,716	$ 54,891	$ 36,841	$ 13,057	$ 24,386	$ 15,153	$ 13,649	$ 18,219	$ 7,858	$ -
California Asset Management Program (CAMP)	$ -	$ -	$ -	$ 486,848	$ 510,145	$ 724,233	$ 791,314	$ 934,120	$ 975,711	$ 1,105,492	$ 938,383	$ -
PFM Asset Management Investment Portfolio	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 328,431	$ -
Total Interest/Div. Earned	**$ 67,811**	**$ 86,193**	**$ 139,716**	**$ 541,738**	**$ 546,985**	**$ 737,290**	**$ 815,701**	**$ 949,273**	**$ 989,361**	**$ 1,123,710**	**$ 1,274,672**	**$ -**

CAMP Portfolio Statistics

As of August 31, 2023

Beginning of the Month Market Value	$ 246,027,861
Ending of The Month Market Value	$ 166,966,244
Yield at Market	5.52%
Weighted Average Maturity (days)	40

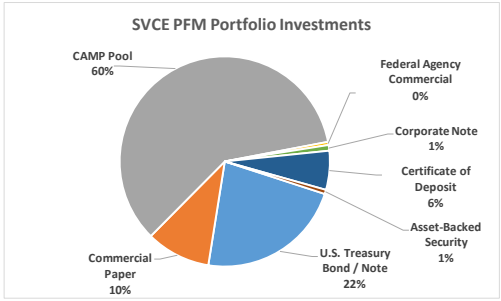


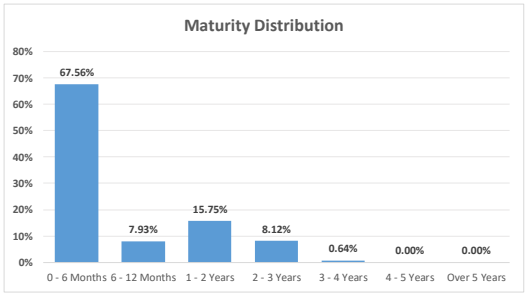
PFM Portfolio Statistics

As of August 31, 2023

Portfolio Par Value	$ 110,710,831
Portfolio Market Value (icl. Accrued Interest)	$ 110,328,431
Yield at Cost	5.34%
Yield at Market	5.30%
Benchmark Yield*	5.03%
Weighted Average Maturity (days)	520

*ICE BofA 0-3 Year U.S. Treasury Index





SVCE Investment Policy:
https://svcleanenergy.org/wp-content/uploads/2018/10/FP-08_Investments-Policy-F.pdf

SILICON VALLEY CLEAN ENERGY AUTHORITY
RETAIL SALES, CUSTOMER ACCOUNTS AND AGING REPORT

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	August	Sept	YTD
Retail Sales Actual (GWh)	307	311	341	341	311	334	287	306	297	333	351		**3,519**
Retail Sales Budget (GWh)	315	308	331	336	295	309	290	313	340	358	369	342	**3,565**
Load deviation from the Budget (Rig	*-2.5%*	*1.1%*	*3.1%*	*1.3%*	*5.3%*	*8.2%*	*-1.1%*	*-2.3%*	*-12.7%*	*-7.1%*	*-4.9%*		***-1.3%***
Customer Participation Rate Res	96.4%	96.4%	96.4%	96.4%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%	96.3%		
Customer Participation Rate Com	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.7%	96.6%		
Total Accounts	277,714	277,867	277,956	277,950	278,041	278,106	278,068	278,120	278,095	277,993	278,143		
Opt-Out Accounts	74	62	99	126	137	69	77	54	42	43	74		**857**
Opt-Up Accounts	-3	4	-6	-36	8	24	-7	-4	-3	-10	(2)		**-35**

Age Summary (as of 9/1/2023)

<30 days	$45,854,983
<60 days	$1,922,036
<90 days	$1,027,506
<120 days	$646,142
Older	$3,019,993

Accounts Receivable Days

37 Days

$52,470,660

TOTAL DUE

Bad Debt % (*Budget*)

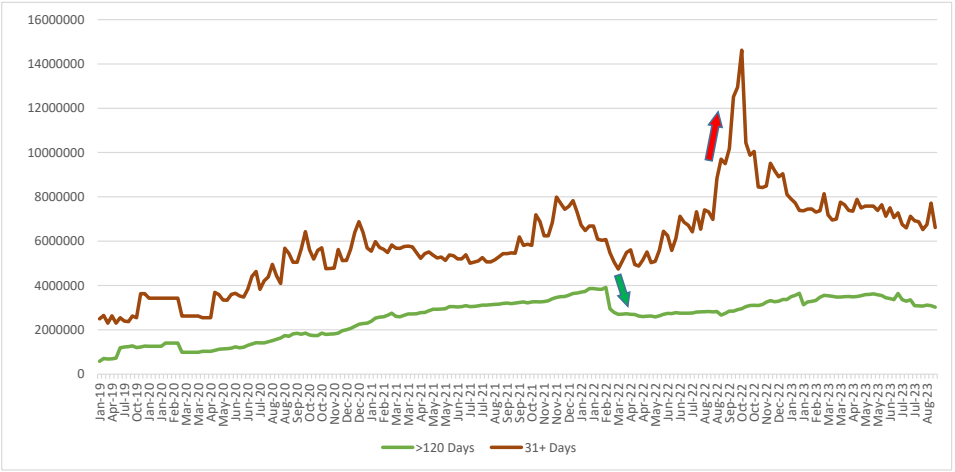
0.90%

Bad Debt % (Actual)

July 2023 FYTD

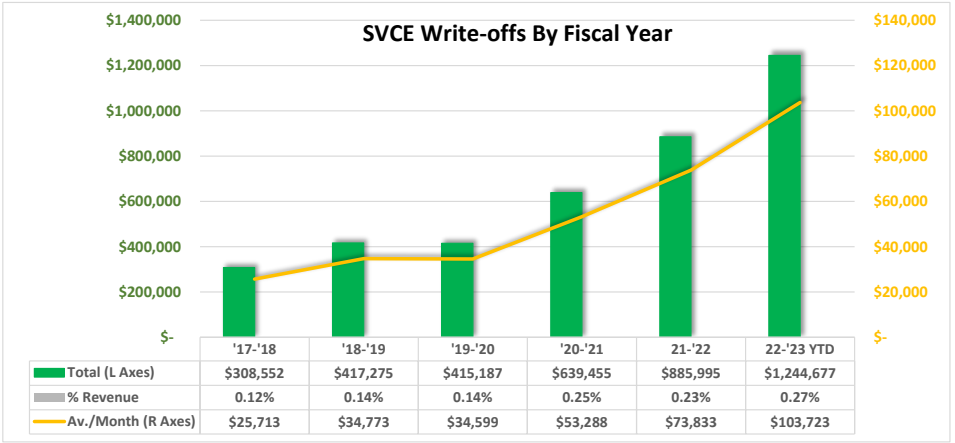
0.27%

SVCE Arrearager Total for customers 31+ days late and 120+ days late



	Date	Amount
High	11/29/2021	$7.99M
Low	4/17/2020	$2.54M
Current	7/31/2023	$6.6 M

- Green arrow indicates receipt of $1.3M in Federal CAPP funds.
- An additional $717K in CAPP funding provided in Winter 2023.
- Growth at red arrow indicates short-term PG&E billing-hold issue in Fall 2022 that was quickly resolved.



Certificate of Compliance

During the reporting period for the period ended August 31, 2023, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged : *PFM Asset Management LLC*

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").

Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2023**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type										
Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY										
08/16/23	08/17/23	TORONTO DOMINION BANK NY CERT DEPOS DTD 08/17/2023 5.850% 07/05/2024	89115BWU0	2,200,000.00	(2,200,000.00)	0.00	(2,200,000.00)			
08/16/23	08/17/23	MUFG BANK LTD/NY COMM PAPER DTD 05/31/2023 0.000% 02/23/2024	62479LBP9	2,250,000.00	(2,183,262.50)	0.00	(2,183,262.50)			
08/16/23	08/17/23	US TREASURY N/B NOTES DTD 10/31/2022 4.375% 10/31/2024	91282CFQ9	5,000,000.00	(4,943,750.00)	(64,792.80)	(5,008,542.80)			
08/16/23	08/17/23	US TREASURY N/B NOTES DTD 06/30/2023 4.625% 06/30/2025	91282CHL8	5,000,000.00	(4,963,867.19)	(30,163.04)	(4,994,030.23)			
08/16/23	08/17/23	US TREASURY N/B NOTES DTD 07/15/2023 4.500% 07/15/2026	91282CHM6	2,500,000.00	(2,487,402.34)	(10,088.32)	(2,497,490.66)			
08/17/23	08/18/23	BARCLAYS CAPITAL INC COMM PAPER DTD 06/23/2023 0.000% 03/18/2024	06743UCJ9	2,250,000.00	(2,173,719.38)	0.00	(2,173,719.38)			
08/17/23	08/18/23	NATIXIS NY BRANCH COMM PAPER DTD 04/17/2023 0.000% 01/12/2024	63873JAC4	2,250,000.00	(2,198,641.88)	0.00	(2,198,641.88)			
08/17/23	08/18/23	BANK OF MONTREAL CHICAGO CERT DEPOS DTD 08/18/2023 5.970% 08/16/2024	06367DC60	2,200,000.00	(2,200,000.00)	0.00	(2,200,000.00)			
08/18/23	08/18/23	BANK OF AMERICA NA CERT DEPOS DTD 08/18/2023 5.720% 01/17/2024	06051WBU7	2,200,000.00	(2,200,000.00)	0.00	(2,200,000.00)			
08/18/23	08/18/23	COOPERATIEVE RABOBANK UA COMM PAPER DTD 08/10/2023 0.000% 02/14/2024	21687ABE2	2,250,000.00	(2,187,562.50)	0.00	(2,187,562.50)			
08/23/23	08/25/23	PRUDENTIAL FUNDING LLC COMM PAPER DTD 08/23/2023 0.000% 05/17/2024	74433GEH5	2,250,000.00	(2,156,900.00)	0.00	(2,156,900.00)			
08/25/23	08/28/23	US TREASURY N/B NOTES DTD 08/15/2023 4.375% 08/15/2026	91282CHU8	2,500,000.00	(2,477,441.41)	(3,863.79)	(2,481,305.20)			
08/25/23	08/28/23	US TREASURY N/B NOTES DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	2,500,000.00	(2,474,707.03)	(27,356.56)	(2,502,063.59)			
08/25/23	08/28/23	US TREASURY N/B NOTES DTD 05/31/2023 4.250% 05/31/2025	91282CHD6	5,000,000.00	(4,927,734.38)	(51,673.50)	(4,979,407.88)			
08/25/23	08/28/23	US TREASURY N/B NOTES DTD 12/15/2022 4.000% 12/15/2025	91282CGA3	2,500,000.00	(2,451,464.84)	(20,218.58)	(2,471,683.42)			

Managed Account Security Transactions & Interest

For the Month Ending **August 31, 2023**

Silicon Valley Clean Energy - SVCE Investment Portfolio - 4025-002 - (12517950)

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY										
08/25/23	08/29/23	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	725,000.00	(706,166.99)	(983.99)	(707,150.98)			
08/28/23	08/31/23	FHMS K058 A1 DTD 11/09/2016 2.340% 07/01/2026	3137BSP64	565,176.82	(536,211.51)	(1,102.09)	(537,313.60)			
08/29/23	08/31/23	VISA INC (CALLABLE) CORP NOTES DTD 12/14/2015 3.150% 12/14/2025	92826CAD4	1,000,000.00	(954,890.00)	(6,737.50)	(961,627.50)			
Transaction Type Sub-Total				**45,140,176.82**	**(44,423,721.95)**	**(216,980.17)**	**(44,640,702.12)**			
Managed Account Sub-Total					**(44,423,721.95)**	**(216,980.17)**	**(44,640,702.12)**			
Total Security Transactions					**($44,423,721.95)**	**($216,980.17)**	**($44,640,702.12)**			

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1c

Item 1c:	**Adopt FY24 SVCE Strategic Work Plan**
From:	Monica Padilla, Acting CEO
Prepared by:	Sanjay Natu, Internal Operations Program Manager
Date:	10/11/2023

RECOMMENDATION

Staff recommends the SVCE Board of Directors adopt SVCE's detailed Strategic Work Plan. This Strategic Work Plan will guide SVCE toward its mission of reducing dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community.

BACKGROUND

On September 13, 2023, the SVCE Board approved five Strategic Focus Areas to guide the agency through the next fiscal year. These focus areas are also mirrored in the CEO's annual goals. As part of the multiple discussions with the Board and committees from May through September, it was decided that the Mission and Measure of meeting the mission would not change. The CEO also reported that the detailed work plan would be updated and presented to the Board at the October meeting for approval.

The accompanying document details the goals and measures that comprise the detailed SVCE Strategic Work Plan. **The workplan is a living document, managed in monthly meetings and priorities/changes will be discussed quarterly.**

The attached SVCE Strategic Work Plan for 2023-24 outlines 25 goals and 84 measures.

The Mission did not change;
The Measure of Meeting the Mission did not change.

The following tables show how the strategic focus areas for the next fiscal year. The second table shows how each of the Board-approved strategic focus areas map to multiple goals and measures in the detailed work plan.

2023–'24 Strategic Focus Areas
Expand Clean & Reliable Grid Actions
Expand Customer Base & Interaction
Accelerate Building & Transportation Electrification
Implement Innovative Financing Solutions
Attract & Retain Employees

2023–'24 Strategic Focus Areas	Related Strategic Workplan Plan Goals/Measures (G/M)
Expand Clean & Reliable Grid Actions: Explore 24x7 clean energy delivery at scale; evaluate SVCE role in enhancing distribution and transmission reliability	G4/M1, G6/M1, G12/M1, G4/M1, G7/M2, G1/M1,
Expand Customer Base & Interaction: Grow non-residential customer base; Expand Offerings & emphasize electrification to all customers	G3/M1, G11/M4, G12/M4, G12/M5, G12/M6, G12/M1, G12/M2, G10/M1, G12/M7, G14/M6
Accelerate Building & Transportation Electrification: Accelerate deployment of currently adopted decarbonization strategies and goals; evaluate and capitalize on federal and state funding opportunities	G14/M1, G14/M2, G14/M4, G14/M7, G11/M5, G13/M4, G14/M3, G11/M2, G13/M1, G14/M5, G18/M1, G5/M1, G5/M3, G7/M1
Implement Innovative Financing Solutions: Implement innovative financing solutions to increase impact of decarbonization program offerings, especially to lower-income customers	G8/M4, G19/M1, G11/M4, G12/M4, G12/M5, G12/M6, G19/M5
Attract & Retain Employees: Be the Employer of Choice, and Increase Staffing; Hire CEO	G23/M5, G24/M3, G24/M1

The following changes were made:

- New goals added in the new strategic development area to address strategic and longer range projects.
- Some measures were edited for clarity and for eliminating overlap

All the measures were reviewed by staff in context of discussions and direction from the Board related to the Strategic Focus Areas and existing priorities. These were updated to reflect current conditions. Internal documents with more detail to guide each department's work have been developed and these will be updated as needed in monthly and quarterly meetings with staff.

Staff is also working on re-framing the work plan into a customer facing document. This will be developed over the next few weeks and posted to the web and also provided to the Board and Alternate Board members.

ATTACHMENTS

1. SVCE 2023 – 2024 Strategic Workplan with Goals & Measures

SVCE 2023 – 2024 Workplan Preamble and Goals

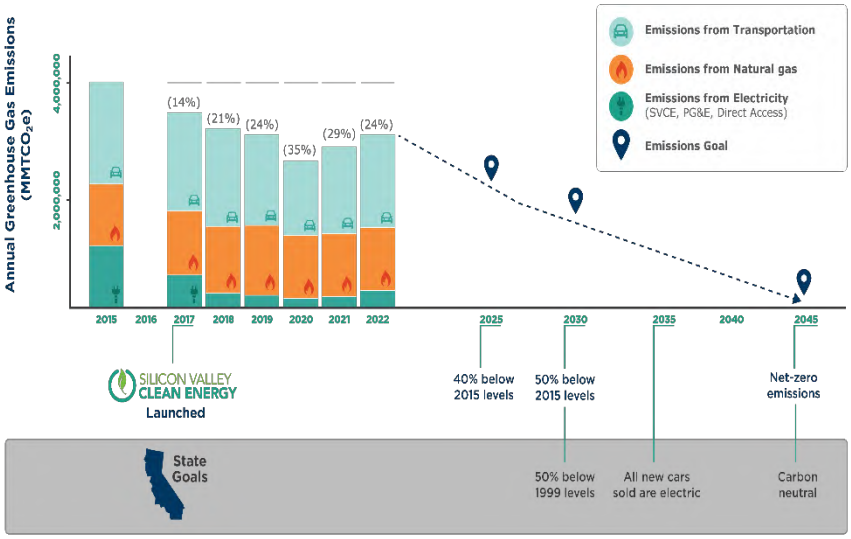
SVCE Mission

Reduce dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community

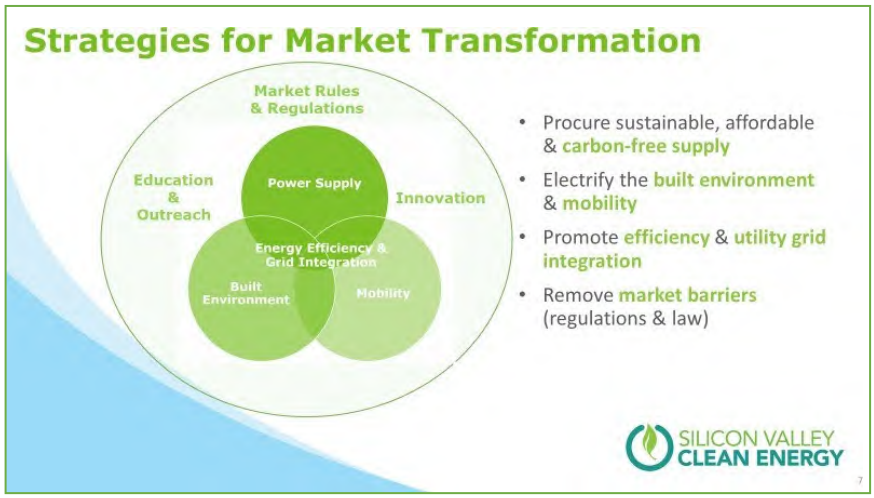
Measure of Meeting the Mission

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 unanticipated ones) so that others can learn from our experience; and build on the promising approaches pioneered by others.

Here are our **Workplan Goals**, followed by narrative leading to these goals and how we will measure achieving these goals:

1. G1: Implement new SVCE customer offerings and capabilities to increase demand flexibility, promoting grid reliability and affordability as the grid becomes more reliant on renewables and transportation and buildings are further electrified.
2. G2: Support member agencies in planning and deployment all-electric district-based energy systems in higher-density commercial zones, and via provision of related energy services.
3. G3: Expand SVCE clean energy service with strategic commercial, industrial and institutional customers in SVCE service territory.
4. G4: Replace GreenPrime offering with a new 24/7, 100% RE product.
5. G5: Identify ways to support local workforce development for customer-sited projects through identifying strategic partnerships. Explore opportunities to build connections to contractors to spread awareness of SVCE programs.
6. G6: Plan for resources to meet SVCE's mission while balancing multiple stakeholder objectives.
7. G7: Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner.
8. G8: Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives.
9. G9: Advocate for policies that protect CCA customer investments and furthers decarbonization, grid reliability, affordability, and social equity with federal and state elected officials and regulators.
10. G10: Empower customers with the awareness, knowledge and resources needed to make effective clean energy choices.
11. G11: Support communication and engagement with public, private, and non-profit stakeholders to leverage our decarbonization efforts.
12. G12: Enact and maintain competitive service offerings for SVCE customers that deliver measurable economic and environmental benefits.
13. G13: Work with the community to plan for and track achieving energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030.
14. G14: Coordinate development of decarbonization and resilience strategy, lead design of local policy, and design and deploy programs.
15. G15: Enable data-driven decision-making across the organization.
16. G16: Support legislation which advances SVCE's mission to reduce dependence on fossil fuels by supporting the development of a low carbon, affordable, and reliable electric system while simultaneously advancing economy-wide decarbonization.
17. G17: Engage elected officials to inform them of SVCE's work and to partner on advancing policies.
18. G18: Accelerate Building & Transportation Electrification (Strategic Focus Area): Accelerate deployment of currently adopted decarbonization strategies and goals; evaluate and capitalize on federal and state funding opportunities.
19. G19: Commit to maintaining a strong financial position.
20. G20: Avoid failures in management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks.
21. G21: Ensure SVCE's Information Technology infrastructure is secure, reliable, and disaster resilient to provide 24/7/365 online access.
22. G22: Enable data-driven decision-making across the organization; automate, integrate, and streamline business processes to minimize operational risk and move organization toward industry best practices from its startup phase.

SVCE 2023 – 2024 Workplan Preamble and Goals

23. G23: Build and maintain a high-performing team to be an employer of choice.
24. G24: Maintain an enjoyable and rewarding workplace to be an employer of choice.
25. G25: Get great at prioritizing, and rebalancing to align SVCE work with SVCE strategic focus areas.

2023-24 BOARD STRATEGIC FOCUS AREAS:

During the period from May-September 2023, 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.

2023–'24 Strategic Focus Areas	Related Strategic Workplan Plan Goals/Measures (G/M)
Expand Clean & Reliable Grid Actions: Explore 24x7 clean energy delivery at scale; evaluate SVCE role in enhancing distribution and transmission reliability	G4/M1, G6/M1, G12/M1, G4/M1, G7/M2, G1/M1,
Expand Customer Base & Interaction: Grow non-residential customer base; Expand Offerings & emphasize electrification to all customers	G3/M1, G11/M4, G12/M4, G12/M5, G12/M6, G12/M1, G12/M2, G10/M1, G12/M7, G14/M6
Accelerate Building & Transportation Electrification: Accelerate deployment of currently adopted decarbonization strategies and goals; evaluate and capitalize on federal and state funding opportunities	G14/M1, G14/M2, G14/M4, G14/M7, G11/M5, G13/M4, G14/M3, G11/M2, G13/M1, G14/M5, G18/M1, G5/M1, G5/M3, G7/M1
Implement Innovative Financing Solutions: Implement innovative financing solutions to increase impact of decarbonization program offerings, especially to lower-income customers	G8/M4, G19/M1, G11/M4, G12/M4, G12/M5, G12/M6, G19/M5
Attract & Retain Employees: Be the Employer of Choice, and Increase Staffing; Hire CEO	G23/M5, G24/M3, G24/M1

FUNCTIONAL NARRATIVES AND MEASURES:

A. STRATEGIC DEVELOPMENT

SVCE's Strategic Development function is focused on complex, 'early stage' strategic objectives that require internal and external collaboration to define, plan and launch. Examples include development of new customer offerings and operational capabilities that support advancement of electrification and decarbonization at scale – such as real-time demand flexibility, 24/7 carbon-free electricity services, and district-based electrification. Cross-departmental ideation, design, coordination, and SVCE policy support is essential. Equally important is teaming with leading local customers, municipalities, and third-party service and technology providers - to pilot and scale compelling new clean-energy services for the benefit of SVCE's customers and communities.

DEPARTMENT PURPOSE:
Coordinate Ideation, Evaluation and Design of New Clean Energy Services and Capabilities

COMMUNITY BENEFIT:

SVCE 2023 – 2024 Workplan Preamble and Goals

SVCE continually evaluates and implements new clean energy services and capabilities to help customers and the community achieve decarbonization at scale.

Goals	Measures
G1: Implement new SVCE customer offerings and capabilities to increase demand flexibility, promoting grid reliability and affordability as the grid becomes more reliant on renewables and transportation and buildings are further electrified.	M1: Support cross-departmental ideation, coordination and roadmap development for design and initial deployment of new Demand Flexibility/VPP offerings and related third-party partnerships
G2: Support member agencies in planning and deployment all-electric district-based energy systems in higher-density commercial zones, and via provision of related energy services.	M1: Working with cross-departmental team members, engage with member agencies (and associated customer and third-party partners) to evaluate specific district-based electrification opportunities, and establish next steps as appropriate.
G3: Expand SVCE clean energy service with strategic commercial, industrial and institutional customers in SVCE service territory	M1: Conduct outreach and advance relationships with a short list of strategic customers, to explore and establish development opportunities for SVCE clean energy services
G4: Replace GreenPrime offering with a new 24/7, 100% RE product.	M1: Support cross-departmental ideation, coordination and roadmap development for design and future deployment of a GreenPrime replacement offering, a 100% RE product measured against at 24/7 standard
G5: Identify ways to support local workforce development for customer-sited projects through identifying strategic partnerships. Explore opportunities to build connections to contractors to spread awareness of SVCE programs.	M1: Understand the local workforce development landscape and explore partnership opportunities to supercharge existing efforts and/or to identify gaps in customer-sited workforce development.
	M2: Continue FutureFit Fundamentals Program
	M3: Explore establishing a Trade Ally Network to create a channel to communicate with contractors.

B. 4PRO: POWER POLICY, PLANNING, PROCUREMENT, REGULATORY AND OPERATIONS

SVCE's Power Resource Team is responsible for policy and regulatory advocacy, planning acquiring, operating and managing power supply resources and the prudent management of all load requirements. This is done through a balanced approach which considers clean energy goals alongside affordability and grid reliability needs. Key to success is sustainable planning, innovative and critical thinking, prudent risk management and the constant search for the best solutions and mix of resources to meet SVCE's near term clean energy goals, while putting SVCE on a path to carbon-free on a 24x7 basis. Building and integrating the necessary tools, systems, and processes will enable SVCE staff to work more effectively and make data driven decisions in support of its goals.

SVCE 2023 – 2024 Workplan Preamble and Goals

Going forward, to be successful SVCE must adapt to new climate, economic and social challenges; state procurement orders and mandates; and customer specific needs; while supporting region-wide decarbonization and electrification goals and integrating distributed energy resources. This can be done through collaboration with key stakeholders and by leveraging opportunities for joint procurement of resources and services and joint regulatory advocacy.

The regulatory 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 while maintaining affordability and reliability. SVCE will work to align regulatory 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 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.

"The successful planning, acquisition, operation and continued advocacy of clean, reliable and affordable energy serves as the foundation of SVCE's mission. Moving forward, we aspire to strengthen and diversify our portfolio with new cost-effective and innovative resources including emerging technologies and to develop a clear path towards meeting SVCE's and California's aggressive clean energy goals."

DEPARTMENT PURPOSE:
Planning, Building & Operating Clean Reliable Energy

COMMUNITY BENEFIT:
Providing the Community with a trusted source of reliable, affordable and clean electricity today and carbon-free power by 2030 through the strategic planning, acquisition and management of power supply resources and ongoing risk mitigation

Goals	Measures
G6: Plan for resources to meet SVCE's mission while balancing multiple stakeholder objectives	M1: Integrated Resource Planning - develop pathway to affordable, reliable, and carbon-free power supply by 2035 and beyond (2045)
	M2: Deploy new forecasting function to integrate software and resources to expand insights, planning and reporting

SVCE 2023 – 2024 Workplan Preamble and Goals

G7: Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner	M1: Meet SVCE-Board directed 100% Clean goals and Integrated Resource Plan directives; RPS mandates; RA obligations; and procurement mandates
	M2: Meet and or reevaluate SVCE's standard retail rate product offerings (i.e., GreenPrime, GreenPrime Direct and GreenStart) and assist in the development of sustainable, strategic and risk managed GreenPrime Direct and other Commercial Industrial custom product offerings.
	M3: Deploy joint procurement of cost-effective clean resources, power related services and emerging technologies
	M4: Evaluate the impacts and opportunities under the IRA including clean energy asset ownership to structurally lower costs and lower risk
	M5: Evaluate new strategies for Slice of Day RA Reform and how existing and clean resources can minimize costs while meeting compliance obligations
G8: Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives	M1: Manage Power Supply Portfolio and Energy Risk, and Optimize Market Participation
	M2: Implement and Operate Power Purchase Agreements to enhance value to SVCE
	M3: Ensure SVCE adopts the appropriate tools, systems, and resources to support new resource valuations, portfolio optimization, risk management, scheduling coordination, load forecasting, optimization, compliance, and settlements
	M4: Effectively manage portfolio through timely and accurate validation and reconciliation of portfolio performance and costs
G9: Advocate for policies that protect CCA customer investments and furthers decarbonization, grid reliability, affordability, and social equity with federal and state elected officials and regulators.	M1: Actively advocate in resource planning proceedings (RA, IRP) at the CPUC and CEC to ensure any regulations are aligned with SVCE procurement.
	M2: Advocate at the CAISO to ensure procurement requirements, interconnection processes and operations are aligned with SVCE priorities and coordinated with CPUC regulations.
	M3: Advocate for policies that help reduce PCIA volatility and uphold customer indifference and don't penalize CCA customers for taking service from a CCA over another LSE.
	M4: Advocate for policies which enable electrification, fairly value BTM resource contribution and do not hinder SVCE's long-term program goals. This includes increased data access and an open access platform in the CPUC Distributed Energy Resources (DER) proceeding.

SVCE 2023 – 2024 Workplan Preamble and Goals

C. ESCR: ENERGY SERVICES AND COMMUNITY RELATIONS

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 35%. 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 for electrification at scale 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 engage our 270,000+ residential and commercial electricity customers in the electrification journey and take the necessary next steps. To do so, SVCE must continue to inspire and educate customers, and enable relevant action. This means expanding wareness 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 for customers, and useful for stakeholders including community leaders, local elected officials, labor, and private sector partners.

Given the scale of the challenge, effective public communication is 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.

"Whether a single-family home, multi-unit dwelling, small business, or large office, energy is changing. The move to a cleaner future will take a strong partnership and engagement at every level of our communities, as well as innovation around our existing energy framework. More and more, our communities and customers are stepping up to a new role in the energy market. Reliability and climate impacts have become a shared responsibility. SVCE is proud to be a partner in bringing clean energy and innovative services to our entire community."

DEPARTMENT PURPOSE:
Engage with Customers to Provide Affordable and Reliable Electric Services

COMMUNITY BENEFIT:
Community confidently makes clean energy choices by engaging with SVCE through educational tools & materials, service offerings & programs and outreach activities that are accessible to all customer segments

SVCE 2023 – 2024 Workplan Preamble and Goals

Goals	Measures
G10: Empower customers with the awareness, knowledge and resources needed to make effective clean energy choices	M1: Enable customer education, engagement and action related to electrification and decarbonization, via online tools, resources, and promotions
	M2: Provide awareness-building and education via local events, sponsorships, demonstrations and support of educational initiatives
	M3: Program marketing and communications
G11: Support communication and engagement with public, private, and non-profit stakeholders to leverage our decarbonization efforts	M1: Develop and expand relationships, education and engagement with labor and the local contractor community
	M2: Maintain and expand community communications and engagement via member agency channels, electrification engagement grants
	M3: Deliver strategic communications that support expanded engagement with legislative and industry audiences
	M4. Maintain and expand relationships, education, and engagement with local business customer community
	M5. Expand outreach and engagement with communities of concern
G12: Enact and maintain competitive service offerings for SVCE customers that deliver measurable economic and environmental benefits	M1: Maintain SVCE customer value proposition providing carbon-free energy at competitive rates for all segments and rate classes.
	M2: Establish new rate program(s) to promote electrification, and matching of clean energy supply and demand
	M3: Provide policy support for key customer-facing L&R activities
	M4: Provide excellent customer service, grow customer awareness and satisfaction, and maintain/expand customer participation rate
	M5: Operationalize customized power offerings for large C&I customers
	M6: Establish additional customized power offerings and/or strategic development agreements with large C&I customers
	M7: Develop and implement program(s) for commercial building decarbonization.

SVCE 2023 – 2024 Workplan Preamble and Goals

D. DPP: DECARBONIZATION PROGRAMS & POLICY

SVCE's Decarbonization Programs & Policy team leads efforts to reduce greenhouse gas emissions in our communities. The programs we design, develop and implement increase the local adoption of electric technologies and demonstrate novel approaches to address critical barriers preventing decarbonization at scale. We try new ideas, take calculated risks, and actively adapt based on feedback to determine what kinds of support and technologies work best for our customers – then share these learnings widely. Our policy work with local agencies focuses both on making it easier for community members to take action and on scaling decarbonization in an equitable manner. We take an integrated and collaborative approach that ties together power supply, transportation, the built environment, energy efficiency and the grid.

"SVCE supports the urgent need to decarbonize intelligently and equitably through innovative programs and collaboration with our local cities and stakeholders. Focusing on programs that spur adoption and working with member agencies on policy action are critical ways we help our communities reduce emissions rapidly and at scale."

DEPARTMENT PURPOSE:
Advance Fuel Switching to Electricity in Buildings and Transportation

COMMUNITY BENEFIT:
Community significantly reduces emissions by shifting fossil fuel use to clean electricity and strengthens energy resilience by leveraging innovative, inclusive, and data-driven programs and policies..

Goals	Measures
G13: Work with the community to plan for and track achieving energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030 .	M1. Carry out annual GHG emissions inventory by source and sector to track and report progress toward meeting climate goals, and support Member Agencies with their inventories.
	M2. Model potential impacts of proposed policies and programs. Support 4PRO's load forecasting and develop a connected GHG forecasting model to assess potential impact of proposed policies, programs and market forces.
	M3. Update sector-specific analyses on an as-needed basis (e.g., Buildings Baseline Study, DER/electrification potential) of inform the development and updates to strategies for advancing decarbonization and resilience.
	M4. Develop and track relevant additional sector-specific KPIs (e.g., number of gas accounts, square footage of all-electric buildings, DER deployment, etc. by municipality, sector, SEVI quartile, etc.).
	M5: Share data and communicate progress toward our mission via public-facing websites, dashboards, or other reports.

SVCE 2023 – 2024 Workplan Preamble and Goals

G14: Coordinate development of decarbonization and resilience strategy, lead design of local policy, and design and deploy programs.	M1. Lead collaborative development, periodic updates, management & reporting of decarbonization and resilience strategies and plans. o Decarbonization Strategy & Programs Roadmap o Electric Vehicle Infrastructure Joint Action Plan o Building Decarbonization Joint Action Plan o Community Energy Resilience Roadmap o Double Down Plan for Increased Programs Funding
	M2. Lead programs on decarbonization focus areas (including topics of mobility, built environment, energy efficiency, innovation, and resilience). Periodically lead prioritization reviews of program portfolio.
	M3. Build coalitions, networks, and relationships to inform policy and program development. Leverage to try to reduce soft costs and enable adoption and implementation. Relationships will also help operationalize the Programs Equity Framework to better incorporate equity considerations into all program/policy efforts.
	M4. Lead evaluation, measurement & verification activities and impact reporting for programs, and disseminate results widely. Incorporate findings to refine and iterate on program design for improved customer journeys and outcomes.
	M5. Support member agencies in their community's decarbonization efforts by providing funding on key initiatives and helping build capacity at the agency.
	M6. Consider external funding opportunities for the SVCE region and explore the potential of financing programs to support electrification program efforts at scale.
	M7. Increase organizational capacity to rapidly design, deploy, and manage programs at a significantly larger scale (e.g. budget, number of units deployed).
	M8. Lead local policy development and support adoption as a key lever to large-scale decarbonization impacts across SVCE territory and the state.
G15: Enable data-driven decision-making across the organization	M1. Update and maintain DAISY as a centralized data hub to enable streamlined analyses, reporting, and key applications..
	M2. Develop and maintain a suite of core reports (e.g. using DataStudio) to visually track and communicate key metrics for use by SVCE staff
	M3. Develop, coordinate, and implement an enterprise-wide training plan for all employees to improve skills that will allow for more self-service from DAISY and core reports.
	M4. Seek out and integrate additional data sources to enhance data-driven insights.
	M5. Lead complex data analyses and provide data and analytics support to teams across SVCE.

SVCE 2023 – 2024 Workplan Preamble and Goals

E. LEGISLATIVE

Legislation wields critical influence over SVCE's ability to serve our customers and advance our mission. SVCE will advocate to advance SVCE's clean energy and decarbonization mission through legislative advocacy.

SVCE will actively engage with legislative stakeholders to advance policies to ensure energy affordability, accelerate climate change mitigation, achieve a clean and reliable grid, ensure competitive equity for CCAs, and advance safety, health, and equity. SVCE will leverage relationships and build coalitions with organizations with common goals to influence policy. SVCE will use its unique ties to communities and the power of its elected officials to support decarbonization at the regional, state, and federal levels.

DEPARTMENT PURPOSE:
Advocate for Federal, State & Regional Clean Energy Policy

COMMUNITY BENEFIT:
Community's interest in clean energy, affordable rates and carbon reduction is further advanced through regional, state & federal policy.

Goals	Measures
G16: Support legislation which advances SVCE's mission to reduce dependence on fossil fuels by supporting the development of a low carbon, affordable, and reliable electric system while simultaneously advancing economy-wide decarbonization.	M1: Advocate through the state and federal legislative process for policies that align with the Board-adopted policy platform.
	M2: Analyze and advocate for state and federal funding sources to advance our decarbonization, clean energy, and equity goals.
G17: Engage elected officials to inform them of SVCE's work and to partner on advancing policies	M1: Regularly communicate with local, state, and federal delegation members on SVCE priorities and accomplishments.
	M2: Work with Decarb. Policy and Government Initiatives Team to educate and engage elected officials and stakeholders in existing building decarbonization policy.
G18: Accelerate Building & Transportation Electrification (Strategic Focus Area): Accelerate deployment of currently adopted decarbonization strategies and goals; evaluate and capitalize on federal and state funding opportunities.	M1: Share information on IRA implementation with SVCE team and external stakeholders as appropriate. Assist with advocacy on IRA implementation as needed.

SVCE 2023 – 2024 Workplan Preamble and Goals

F. FINANCE AND FISCAL RESPONSIBILITY

SVCE is committed to serving its mission from a sound financial position. Doing so requires the consistent implementation of disciplined fiscal strategies and active enterprise risk management. SVCE manages 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 processes are efficiently designed to achieve maximum productivity by aligning people, systems, and policies. Adherence to sound fiscal policies and active risk management will help the agency respond to unexpected risk events, maintain a high credit rating, and deliver high-value products and services to our customers.

Goals	Measures
G19: Commit to maintaining a strong financial position	M1: Present balanced budget that achieves cash reserve targets, weighs tradeoffs between customer value proposition and contribution to reserves, and maintains competitive rates
	M2: Board presentation on 5-year financial forecast once a year
	M3: Unqualified audit opinion.
	M4: Maintain investment grade credit rating from one of the 3 credit rating agencies
	M5: Capture savings in energy procurement and enhance customer product offerings thru structured financing.
G20: Avoid failures in management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks	M1: Develop appropriate metrics, tools, and training to empower staff to effectively identify, avoid, and mitigate risks to SVCE
	M2: Develop and implement risk mitigation measures to Manage enterprise risks

SVCE 2023 – 2024 Workplan Preamble and Goals

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 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 and prioritize maintaining high data and IT infrastructure security. We develop and apply proper data governance that includes establishing standards, policies, and processes to ensure effective data management throughout the enterprise. Through data science, we advance key data-intensive business cases to design and develop innovative customer programs and serve our mission efficiently and effectively.

Goals	Measures
G21: Ensure SVCE's Information Technology infrastructure is secure, reliable, and disaster resilient to provide 24/7/365 online access	M1: Conduct annual IT Audit/Security Assessment to evaluate information security at both the policy and technology (software and hardware) levels and implement all critical recommendations.
	M2: Develop IT continuity plan and align with overall business continuity plan; update annually to reflect changing business needs
	M3: Ensure IT infrastructure (network, systems and cloud based tools) elements are secure, updated and that SVCE is using top rated providers.
	M4: Continue to strengthen the overall Cyber Security Posture; Achieve cybersecurity scorecard targets; Grow the Human Firewall; Avoid cybersecurity threats including all instances of unauthorized system access and/or data loss through spoofing, phishing, and hacking
G22: Enable data-driven decision-making across the organization; automate, integrate, and streamline business processes to minimize operational risk and move organization toward industry best practices from its startup phase	M1: Identify and evaluate hardware and software improvements to enhance collaboration
	M2: Develop a comprehensive assessment of SVCE business processes, both technical and functional, to achieve efficiency and optimization and minimize operational risks.
	M3: Empower organization-wide decision making with data, systems, processes, and infrastructure

H. WORKPLACE & HOW WE GET WORK DONE

Achieving SVCE's ambitious and urgent mission requires 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 build and support 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 and engagement, and we support professional and personal development. We offer opportunities that position our people, and in turn SVCE, for success.

Goals	Measures
G23: Build and maintain a high-performing team to be an employer of choice	M1: Implement Management Training Plan; request regular feedback from Directors and staff; use to continually improve training.
	M2: Request feedback after every new hire (recruiting / onboarding) and use to continually improve processes.
	M3: Maintain 90% staffing of existing positions over the course of the year. Fill 90% of new positions within 90 days of posting.
	M4: Regularly assess functional staffing needs (short-term and long-term) around annual budget and use to develop long-term succession plans.
	M5: Provide Competitive Compensation and Benefits for staff, as determined through regular reviews / comparisons with peer organizations.
G24: Maintain an enjoyable and rewarding workplace to be an employer of choice	M1: Regularly assess hybrid workplace policies and use feedback to continually improve tools and processes to achieve organization-wide competency in hybrid work.
	M2: Regularly review organizational policies and procedures and update as needed.
	M3: Foster and develop a workplace culture that supports and empowers staff
G25: Get great at prioritizing, and rebalancing to align SVCE work with SVCE strategic focus areas	M1: Develop annual workplan and continue the director level tracking and review process and enhance as necessary
	M2: Implement and drive Monday.com at SVCE for workplan and project planning/management

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1d

Item 1d:	**Receive FY23 Q4 Decarbonization Strategy and Programs Quarterly Report**
From:	Monica Padilla, Acting CEO
Prepared by:	Justin Zagunis, Director of Decarbonization Programs and Policy Douglas Bernard, Decarbonization Management Analyst
Date:	10/11/2023

RECOMMENDATION

Staff recommends the Board accept the Q4 2023 update of the Decarbonization Strategy and Programs quarterly report.

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 established a 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 an update of the Decarbonization Strategy and Programs quarterly report. The quarterly update includes a table with a summary of updates from last quarter and the target for next quarter.

STRATEGIC PLAN

This item supports SVCE's 2022-2023 Strategic Plan Goal 10, to "coordinate development of decarbonization and resilience strategy, lead design of local policy, and design and deploy programs," to support achieving energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030.

FISCAL IMPACT

Accepting the Q4 2023 Update of the Decarbonization Strategy and Programs quarterly report has no fiscal impact.

ATTACHMENTS

1. Decarbonization Strategy & Programs Quarterly Report – Q4 2023 Update

DECARBONIZATION PROGRAMS

SILICON VALLEY CLEAN ENERGY

Quarterly Report

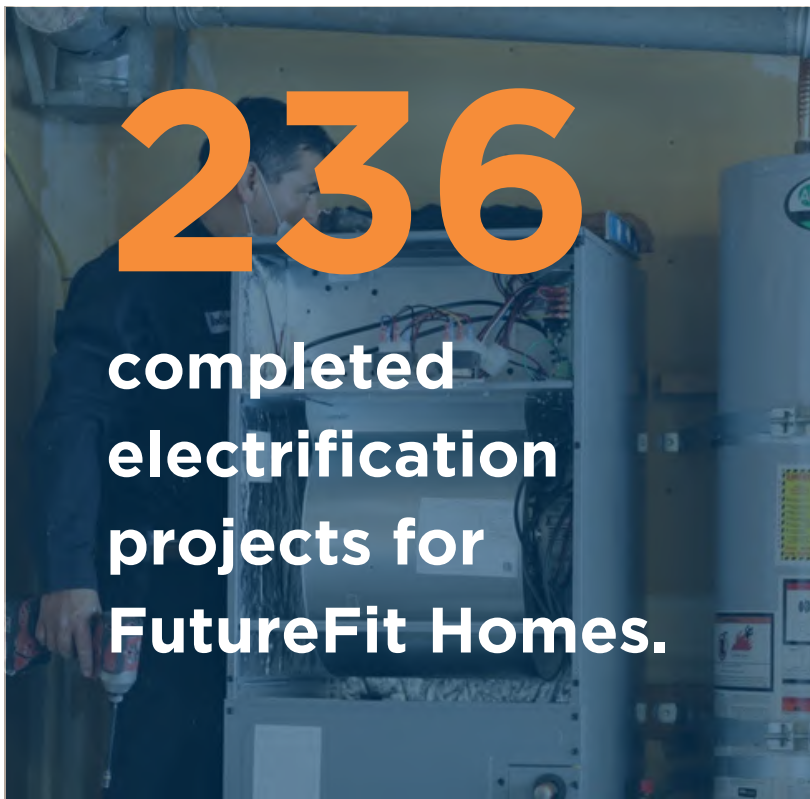
FY23 Q4 Milestones



150 applicants for All-Electric Showcase Awards.



267 L2 connector installations and 10 DCFC installations for CALeVIP.



236 completed electrification projects for FutureFit Homes.

PROGRAMS PORTFOLIO

FY23 Q4

Quarterly Report

Active Programs

See Glossary for program descriptions. Title links to program homepage (if available).

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
Electrification Rate Discount	$9.5M	5,000 customers enrolled	850 enrolled	Created tracking for enrolled customer and setup processes including welcome emails and surveys	Review Phase 1 learnings and decide on revisions. Host focus group to learn about customer behavior
CHIIP, including Affordable Housing EVI Incentives	$8.9M	• 25 MUDs with EVI • 4,000 L1/L2 chargers at affordable housing	• 22 reservations • 1 completed	See cumulative impact	Expand enrollment
CALeVIP 1.0	$6M	• 85 DCFC installed • 1,100 L2 installed	• 10 DCFC installed • 267 L2 installed	Closed application window	DCFC and L2 project payments as they complete
Community Energy Resilience	$5.15M	13 agencies complete projects	13 agencies selected a project	See cumulative impact	Execute last 4 grant agreements before 12/31/23 deadline
FutureFit Homes - Residential Incentives	$4.05M	750 homes fully/partially electrified	236 homes fully/partially electrified	See cumulative impact. New marketing videos also released.	Expecting increase in rebates paid as summer projects finalize
Decarbonization Demonstration Grants	$3.2M	8 local public facing electric projects	1 project complete	See cumulative impact. All grant agreements executed.	Continue project work, demonstrate value of completed project and share lessons
FutureFit Fundamentals Contractor Training	$1.7M	• 300 contractors trained • 500 graduate incentives	104 contractors completed training	See cumulative impact. Program connected to FutureFit Homes. Program materials updated.	Working on new graduate bonus
Electric Showcase Awards 2.0	$1.5M	Highlight building electrification success stories	150 applications, 16 winners, $95,000 awarded	See cumulative impact	Promote winners, present to local councils and tour two of the winning homes
FutureFit Homes and Buildings: C&I and SMB Incentives	$1.25M	20-30 SMBs electrified	In progress	Building electrification rebates launched for small and medium business customers in July	Continue program roll out
Customer Resource Center (eHub)	$1.1M	• 1.5M email opens • 250K unique web visits	1.4M email opens, 262K web visits, 206 rebate claims	See cumulative impact	100K email opens, 10K web visits, 100 rebate claims, launch induction cooktop promo

PROGRAMS PORTFOLIO

FY23 Q4

Active Programs

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
Priority Zone DC Fast Charger (PZDCFC) 2.0	$875K	10 DCFC installations near MUD hotspots	4 DFCF sites with 10 100+ kW ports	See cumulative impact	Monitor site construction progress and milestones
FutureFit Assist	$725K	• 60 assessments • 36 projects done • 250 ports	52 applications	See cumulative impact	Expand enrollment
GridShift EV Charging	$600K	Bill/emissions savings and load shifting capacity	• 1,184 EVs enrolled • 31 rebates	Launched August sign-up incentive & marketing efforts (direct mail, email, DMV ads)	Launch ongoing sign-up incentive & referrals
Reach Codes 2.0	$600K	Require all new buildings to be emissions-free	12 agencies adopt electrification ordinances	Ninth Circuit's Berkeley decision stalled progress	Monitor and support agencies as the legal case evolves
Decarbonization Engagement Grants	$442K	5 communities engage residents on climate action topics	In progress	5 communities executed agreements	Work to complete projects, share during MAWG meetings
Fleet Electrification	$300K	Complete for 5 member agency and 5 SMB fleets	In progress	5 agencies in process to complete electrification plans	Solicit additional participants, and work with 5 enrolled agencies to complete plans
SV Transportation Electrification Clearinghouse	$150K	Create cohort to enable equitable electrification.	In progress	Planned to host a stakeholder meeting on MF EV charging opportunities	Conduct relaunch to assess how to increase impact
Lights On Silicon Valley	Power Supply Budget	750 SFH and 5 MF completed	581 enrolled SFH	Sunrun continued to enroll and install customers	Construction to complete, delivery will begin

PROGRAMS PORTFOLIO

FY23 Q4

Planning

Name	Budget	Potential Impact	Last Quarter (Update)	Next Quarter (Target)
Multifamily Direct Install (TE and BE)	$12.5M	300 to 1,000 MF AH units electrified	RFP released	Evaluate proposals, select winner
Permit Modernization	$3.2M	13 member agencies improve electrification permitting	Program design completed	Release to member agencies
Tariffed On Bill (TOB) Financing	$3M	500 to 1,000 customers finance electrification	CPUC decision received which outlines path for IOUs to develop TOB proposals based on SVCE's	Working group develops TOB proposals and evaluates next steps with TECH
Existing Building Policy Experiment	$1.9M	Spur action on building electrification and reduce building gas combustion	Program design completed	Release to member agencies
FutureFit Homes Concierge	$892K	3,600 customers use hotline, 1,200 use tech assistance, 350 use electrification plans	Worked with vendor on implementation plan and tech requirements	Develop webpage, train vendor on SVCE programs, and prepare for launch
Feasibility Assessment, Natural Gas Phase Out	$300K	Complete study that informs local, regional, and statewide policies	Developed SPW for phase 1 analysis	Hire contractor and kickoff work
SV Building Electrification Strategic Taskforce	$150K	Educate stakeholders about building electrification	Completed program design and joined 2 workforce coordination efforts	Map stakeholders, list feedback received on workforce, housing, and LMI building electrification issues

Closed/Inactive

Name	Budget	Summary
Innovation Onramp	$2.4M	10 pilots complete. The final pilot from 2021 with NeoCharge was completed in May 2023. Future program pathway is being determined. $1.2M budget remaining.
FutureFit Homes Heat Pump Water Heater	$1.5M	Program closed in December 2022. Active applications were transitioned to FutureFit Homes Incentives program.
Reach Codes 2019	$400K	Reach Codes 2019 were adopted by 12 of 13 member agencies. Several agencies updated Reach Codes in the 2022 code cycle.
Medical Battery Program	$200K	All 50 batteries are claimed by customers who require electricity for medical devices and are at high risk of power outages.

PROGRAMS HIGHLIGHTS

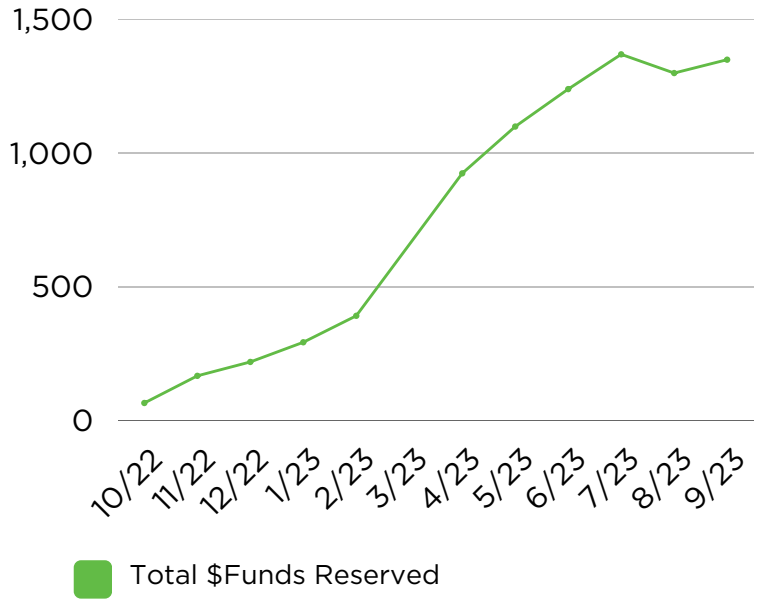
FY23 Q4

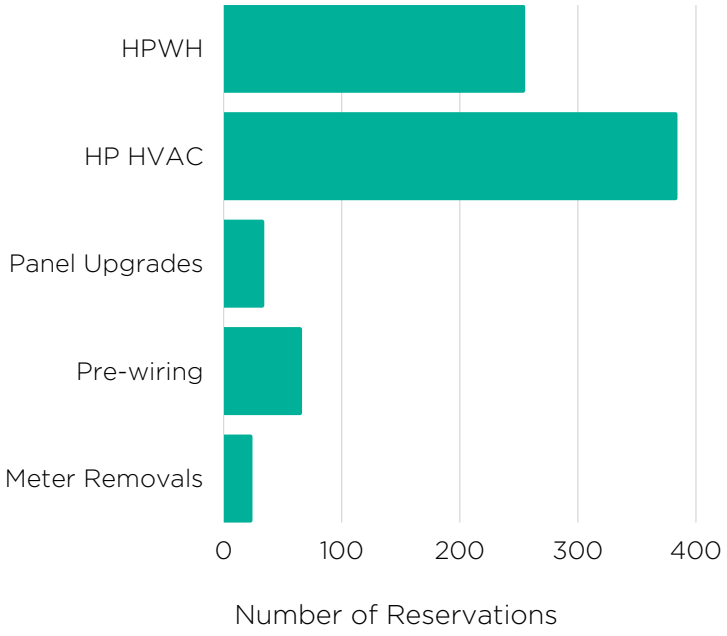
FutureFit Homes

Provide incentives to residents for electric heat pump water heaters (HPWH), heat pump HVAC systems, service panel upgrades, and pre-wiring upgrades to replace gas appliances.

Rebates claimed: $611K

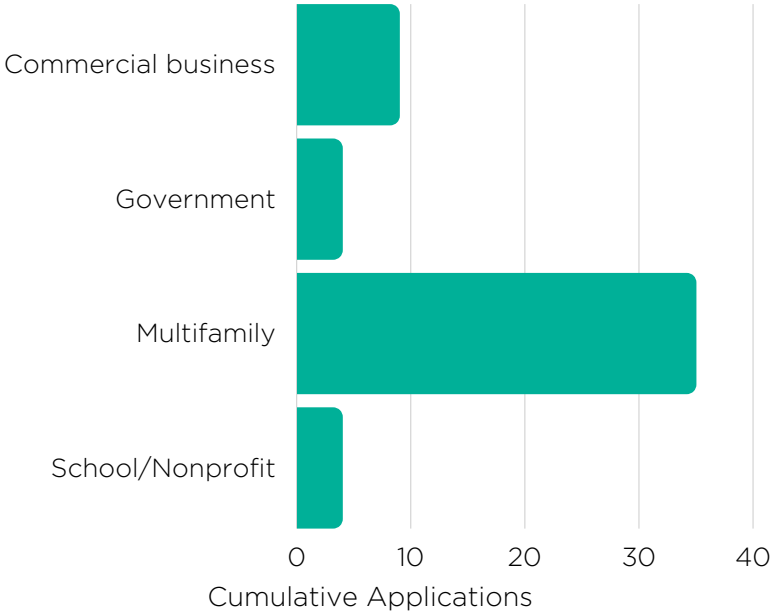
Rebates reserved: $1.35M





Future Fit Assist

Assistance in site assessment, preliminary design, and applying to rebates for charging at multifamily housing and small and medium workplace properties.



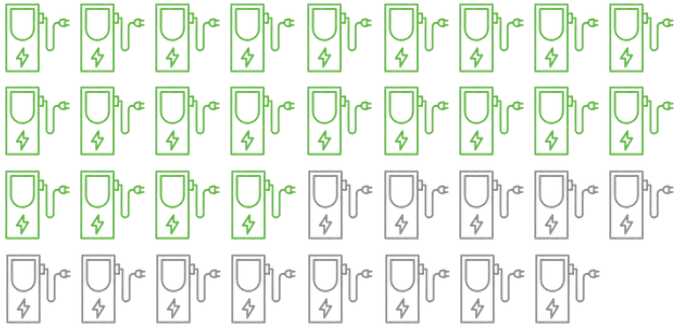
Charging Installation Incentive Program (CHIIP)

Incentive program for L1 and L2 EV charging infrastructure at multifamily properties

Funds Reserved: $824K

Approved Reservations: 22

Goal: 35 Sites, 150 ports



PROGRAMS HIGHLIGHTS

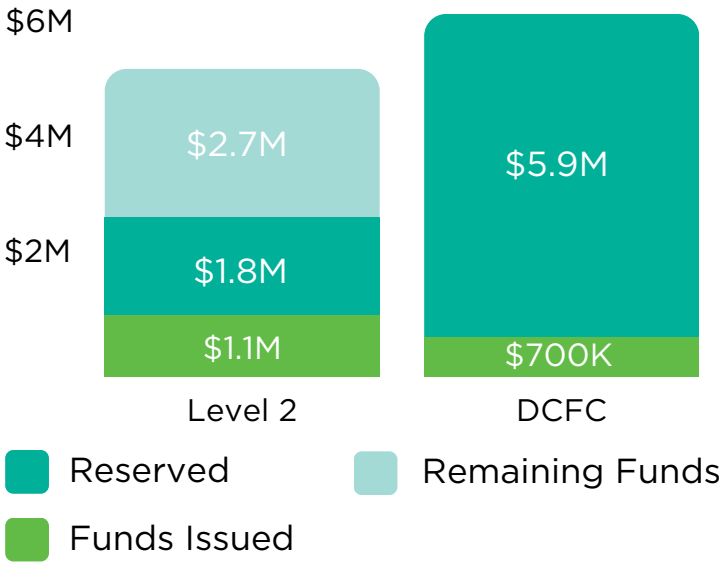
FY23 Q4

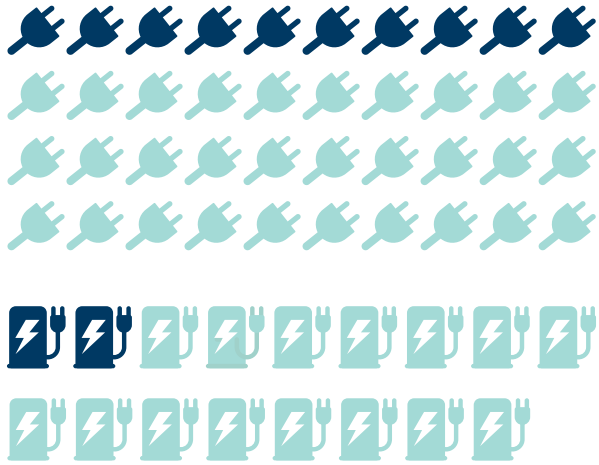
CALeVIP

Provide incentives for electric vehicle (EV) chargers as part of a regional program.

Funding: $11.58M

Goal: 1K Level 2 + 85 DC Fast Chargers by 2023





= 25 Level 2 Installations

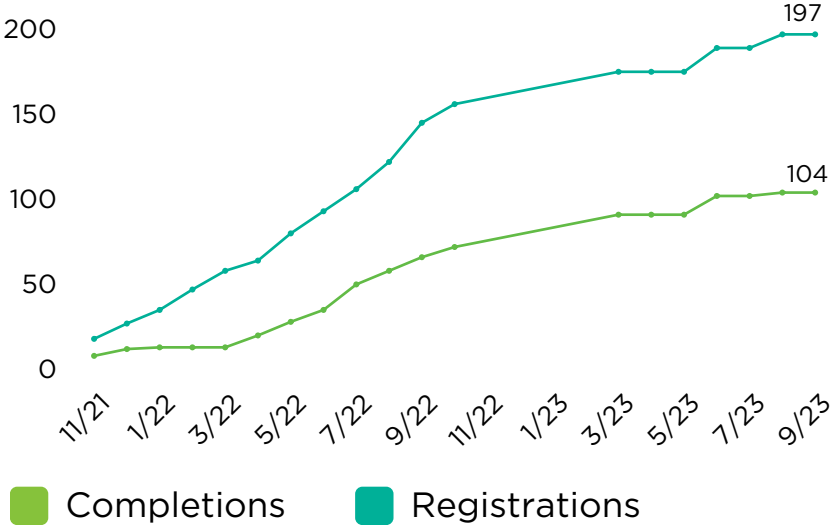
= 5 DCFC Installations

FutureFit Fundamentals

Provide financial relief to contractors by expanding their knowledge of electrification technologies.

Funding: $1.5M

Goal: 150 Participants Complete the Course (Phase 1)





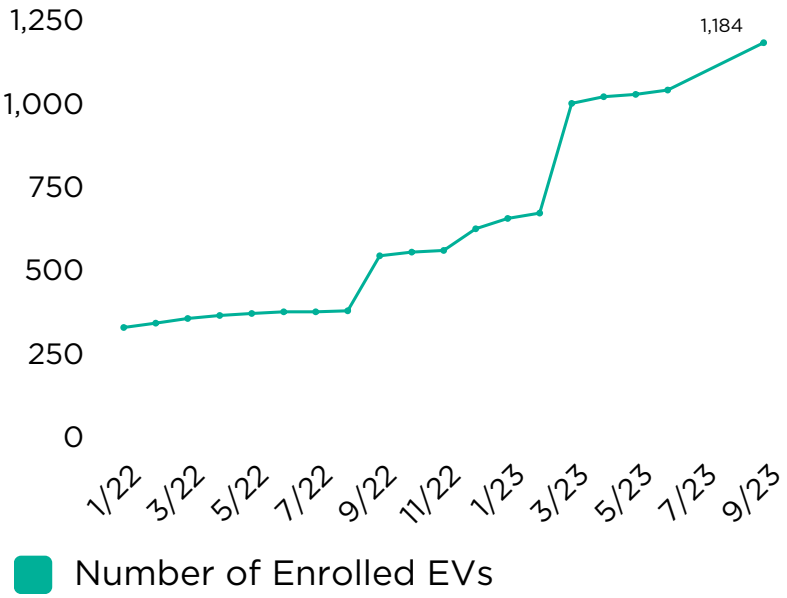
= 5 Participants Complete Course

PROGRAMS HIGHLIGHTS

FY23 Q4

GridShift EV Charging

Managed EV charging app that optimizes charging to reduce associated costs and emissions.



Rebate Goal: $30K

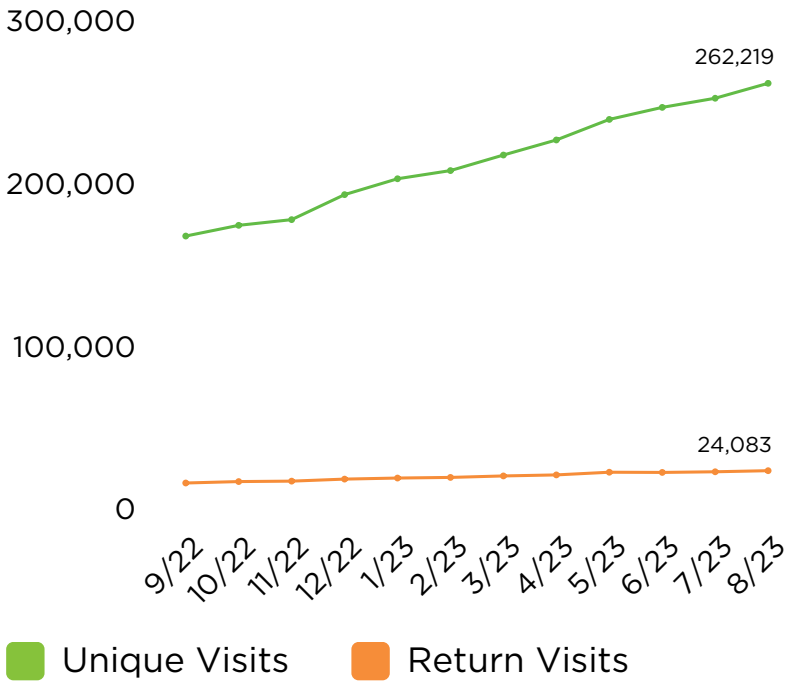
Goal: 120 EV Chargers



Charger Rebates Reserved: 31

eHub Report

Online customer resource center to enable engagement, education and action related to clean electricity, EVs and home electrification.



Website Visit Goal:
Reach 250K Unique Visitors

Email Goal:
Conduct 10 email campaigns



= 1 email campaign completed

Built Environment

Community Energy Resilience: Resources (grants) and tools for member agencies to increase individual and collective capacity to adapt to future power outages.

Electric Showcase Awards 2.0: Award program to recognize residential, commercial, and non-profits who are early adopters of existing building electrification.

Decarbonization Demonstration Grants: Grants to encourage member agencies and other key groups an opportunity to electrify their facilities. Focus on projects with public visibility for education/awareness purposes.

Decarbonization Engagement Grants: Grants for member agencies and other key groups to work on smaller electrification engagement initiatives to engage their communities.

Electrification Rate Discount: Custom rate to promote building electrification.

Existing Building Policy Experimentation: Assess and support potential policy levers that member agencies can explore to mitigate emissions from existing buildings.

Feasibility Assessment of Natural Gas Phase Out by 2045: Feasibility study to identify technical, legal, and economic barriers and opportunities for phasing out natural gas service by 2045 in SVCE's service territory.

FutureFit Fundamentals Contractor Training: Training and financial incentive program for contractors to expand their knowledge and installation of electrification technologies.

FutureFit Homes - Concierge: Comprehensive one-on-one phone or web assistance to SVCE customers to assist them in applying for electrification incentives, technical assistance, or developing a whole-home electrification plan.

FutureFit Homes - Residential Incentives: Incentives for various building electrification technologies for single- and small multi-family residential customers. Includes major appliances as well as eventual gas meter removal.

FutureFit Homes and Buildings - C&I Incentives: Incentives for demonstration projects at a handful of small and medium business properties.

Multifamily BE Direct Install: Comprehensive building electrification retrofits with a direct installer for multifamily affordable housing sites.

Permit Modernization: Benchmark and streamline member agency permitting and inspection processes to identify barriers and opportunities to electrification.

Reach Codes 2.0: Provide model building energy codes supportive of all-electric design and EV infrastructure to member agencies along with consultant support.

GLOSSARY

Built Environment

SVBEST: Regular regional stakeholder convenings to coordinate program alignment across building decarbonization workstreams.

Tariffed On Bill (TOB) Financing: Equitable financing pilot program for electrification for low-moderate income residents focusing cost recovery through on-bill charges that are lower than bill savings.

Mobility

CALeVIP 1.0: Incentives for L2 and DCFC publicly-accessible EV chargers funded by California Energy Commission and SVCE as part of a regional collaboration.

CHIIP: Incentive program for L1 and L2 EV charging at hard-to-reach multifamily properties.

Fleet Electrification Program: Competitive application for SVCE's fleet electrification planning support and funding for site upgrades targeting a broad set of fleet types.

FutureFit Assist: Technical assistance for preliminary site design and pertinent rebates for charging at multifamily housing and small and medium workplace properties.

Multifamily TE Direct Install: Comprehensive transportation electrification retrofits with a direct installer for multifamily affordable housing sites.

Priority Zone DC Fast Charger (PZDCFC) 2.0: Competitive grant application for DCFC installations in "priority zones" that support designated multifamily housing clusters.

SVTEC: Regular regional stakeholder meetings focused on information sharing, solving critical issues, and attracting external funding to the SVCE community in support of EV infrastructure deployment.

Power Supply

Lights On Silicon Valley: Provide incentives for enrolling solar and battery systems in the SVCE grid services program.

Medical Battery Program: Pilot program to deploy ~50 portable batteries to qualified customers who rely on power for medical equipment.

Education & Outreach

Customer Resource Center (eHub): Online customer resource center and marketplace to enable engagement, education, and action related to clean electricity, EVs, and home electrification.

Grid Integration

GridShift EV Charging: Managed EV charging phone app that optimizes charging to reduce associated costs and emissions. Includes incentives for reducing grid peak demand.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1e

Item 1e:	**Authorize the Chief Executive Officer to Execute a 3-Year Agreement with Itron, Inc. for Long-term Load Forecast and Software**
From:	Monica Padilla, Acting CEO
Prepared by:	Maren Wenzel, Senior Manager of Energy Policy and Regulatory Analysis Jessica Feng, Power Resources Planner
Date:	10/11/2023

RECOMMENDATION

Staff recommends that the Board authorize the Chief Executive Officer (CEO) to execute the attached agreement with Itron, Inc. (Itron) with non-substantive changes approved by the CEO and subject to final review and approval by General Counsel. The agreement has a not-to-exceed first year cost of $137,845.85, and an expected cost of approximately $11,000 a year for years two and three, to develop and implement a 15-year hourly load forecast and software platform.

BACKGROUND

Currently, SVCE's medium and long-term load forecast relies on a third-party consulting firm. With the models and tools from Itron, processes will align with industry best practices for medium and long-term load forecasts, and SVCE will gain the ability to efficiently and effectively make insightful data-driven decisions regarding its load.

Staff developed detailed functional requirements of SVCE's needs in a medium and long-term load forecast. Using these requirements, staff reviewed and re-evaluated the proposals from vendors who responded to the Request for Proposals (RFP) published by SVCE for medium and long-term load forecast in 2022. Using the knowledge and experience gained from the staff's professional experience, staff reached out to Itron for an updated proposal in June 2023 and selected Itron as its preferred service and software provider in July 2023. Staff's evaluation criteria included assessment of functionality, ability to integrate between systems, ease of use, ease of implementation, relevant market experience, and cost/value.

Contract negotiations launched in early August. SVCE has negotiated an agreement with Itron to build the models and implement the forecasting system during the first year of service. In subsequent years, SVCE staff will run the models internally and pay for only the software license and Energy Forecasting Group (EFG) membership after the first year. If SVCE staff require additional consulting support from Itron in years two and three it is allowed in the agreement.

Itron is the leading provider of forecasting software and consulting services to electric and gas generation, transmission, and delivery companies in North America. Itron's forecasting team is nationally recognized for its expertise in short-term forecasting (hour-ahead and day-ahead), financial forecasting (1-3 years-ahead), and long-term forecasting (10-30 years-ahead) and is a leading provider of forecasting solutions to system operators, regional transmission organizations, energy retailers, public utilities, municipalities, and cooperatives. Currently, over 170 energy companies in eleven countries use Itron's forecasting tools and services.

ANALYSIS & DISCUSSION

SVCE was formed in 2016, and now serves approximately 270,000 residential and commercial electricity customers across a service area comprised of 13 communities in Santa Clara County. We aim to provide our customers with resources that can help them understand their energy use and how it relates to their carbon footprint, discover ways to reduce their carbon footprint and find products and contractors to help them save energy and money. Knowing what customers' future usage - time and quantity – is critical to all SVCE's planning efforts. Understanding customer behavior and shaping it will be key to the success of the energy transition.

Accurate load forecasting provides value across the organization. It helps SVCE determine the amount of electricity that will be needed in the future, which is crucial for planning and optimal energy resources. It also helps SVCE negotiate better contracts and optimize our energy procurement strategies, reducing costs for our customers. As the organization matures its thinking in regard to load management and virtual power plant opportunities, it is becoming increasingly important for SVCE to have a forecast with hourly granularity to develop programs and evaluate supplier offerings that encourage load shaping. Additionally, several compliance deliverables each year require SVCE to provide a load forecast and the additional transparency and expertise provided by Itron will improve such deliverables.

Since SVCE's inception, SVCE has been exploring better processes to produce accurate long-term load forecast to serve multiple business needs and use cases. Previously, SVCE relied on third-party forecasters to provide load and peak forecast for compliance filings and budget purposes. These third-party forecasters provide limited customization and ability to complete scenario analyses. With the new load forecast process, SVCE will have in-house subject matter expertise and new methodologies with improved transparency. The new process will provide in-depth forecast analytics and multiple forecast scenarios for different business use cases and analyses.

Through re-evaluating the RFP proposals SVCE determined that the product that Itron offers will best fit SVCE's needs and will best produce a more accurate load forecast. In addition, the models and software will also enable SVCE to forecast the load modifiers in different scenarios.

Pending Board approval, staff will kick off implementation with Itron and work together to transition sales and customer data to Itron for model building. Upon completion of implementation and significant parallel testing, Itron will transfer all the models and data to SVCE. From the second year, SVCE will be able to produce the long-term load forecast in-house.

STRATEGIC PLAN

The proposal supports SVCE's 2022 Strategic Plan Goal 1, Measure 3 which is to "deploy new forecasting function to integrate software and resources to expand insights, planning and reporting", by increasing staff capacity to forecast SVCE load."

ALTERNATIVE

An alternative option to using third-party software would be to develop an internal model to create the forecast. Development and maintenance of the load forecast, including the development of tools and applications would require significant staff time and would likely result in a less robust model than Itron offers.

FISCAL IMPACT

The proposed agreement has a not-to-exceed amount of for the first year of $137,845.85 for the implementation and software license. In subsequent years SVCE will pay for only the software license and EFG membership. The total cost over the three-year term is expected to be $160,497.36, of which $137,845.85 is a not to exceed amount for year one. The Board-approved fiscal year 2024 Operating Budget includes funding for load forecasting software. Appropriations of funds for subsequent years of the agreement will be requested in upcoming budgets.

Agenda Item: 1e **Agenda Date: 10/11/2023**

ATTACHMENT

1. Draft agreement with Itron, Inc. for a 15-year Load Forecast and software

MASTER SALES AGREEMENT

General Terms and Conditions

This Master Sales Agreement (this "Agreement") is made between Itron, Inc. an entity organized under the laws of Washington having an address at 2111 N. Molter Road, Liberty Lake, WA 99019, USA ("Itron") and Silicon Valley Clean Energy, an entity organized under the laws of *[Customer Jurisdiction of Formation]*, having an address at 333 W. El Camino Real #330, Sunnyvale, CA 94087 US ("Customer") and is made effective as of the latest date signed below ("Effective Date"). Itron and Customer are collectively referred to as the Parties or a Party, as applicable.

1 Introduction

1.1 Scope and Structure.

This Agreement applies to certain products and services provided by Itron to Customer and consists of these General Terms and Conditions, Addenda, Order Documents and Statements of Work.

1.2 General Terms and Conditions.

These General Terms and Conditions contain terms and conditions that are generally applicable to all products and services provided by Itron to Customer under this Agreement.

1.3 Addenda.

Addenda contain supplemental terms and conditions applicable to certain categories of products and services. Addenda incorporated into this Agreement on the Effective Date are identified on the Attachment Schedule. The Parties may add Addenda to this Agreement by written amendment after the Effective Date.

1.4 Order Documents.

Order Documents contain Fees and any related Statement of Work and supplemental terms and conditions applicable to specific products and/or services. Order Documents incorporated into this Agreement on the Effective Date are identified on the Attachment Schedule. The Parties may execute additional Order Documents after the Effective Date.

1.5 Order of Precedence.

In the event of a conflict between these General Terms and Conditions and an Addendum, the Addendum shall control. In the event of a conflict between an Order Document and these General Terms and Conditions or an Addendum, the Order Document shall control, but only with respect to the applicable products and services. These General Terms and Conditions, an Addendum or Order Document, as applicable, shall control over any conflict with a Statement of Work.

1.6 Purchase Order Requirement.

Customer shall purchase or license products or services described in each Order Document or Statement of Work under this Agreement by issuing a purchase order or similar ordering document accepted by Itron ("Purchase Order") indicating specific products and services, Itron part numbers, quantity, unit price, total purchase price, shipping instructions, requested shipping dates, bill-to and ship-to addresses, tax exempt certifications, if applicable, and contract reference. No contingency contained on any Purchase Order shall be binding upon Itron. The terms of this Agreement shall apply, regardless of any additional or conflicting terms of any Purchase Order or other correspondence or documentation submitted by Customer to Itron, and any such additional or conflicting terms are deemed rejected by Itron.

DRAFT



2 Definitions.

The following defined terms are used throughout this Agreement. Additional terms may be defined in Addenda, Order Documents and Statements of Work.

Affiliate means any legal entity that directly or indirectly controls, is controlled by, or is under common control with, a Party to this Agreement, where "control" means ownership of at least fifty (50) percent of the equity having the power to vote on or direct the affairs of the entity.

Claim means an unaffiliated third-party claim, action, cause of action, or demand for damages, cost or expense (including reasonable attorney's fees) or other relief.

Confidential Information means any confidential, trade secret or other proprietary information disclosed by a Party or a Party's Affiliate related to its business that is designated as "confidential" or which a reasonable person knows or should understand to be confidential, regardless of the form of disclosure and whether of a technical, business or financial nature, including but not limited to processes and methods, product design and details of operation, product plans, prototypes, schedules, results, reports, computer programs, databases, compilations of data, engineering activity, manufacturing activity, analytical methods, strategies, and the like, but excluding information that: (i) is now or becomes generally available to the public through no fault or breach of the receiving Party; (ii) is rightfully in the receiving Party's possession, or known by it, prior to its receipt from the disclosing Party; (iii) is rightfully disclosed to the receiving Party by a third-party, free of any obligation of confidentiality; (iv) is developed by the receiving Party independently and without reference to the disclosing Party's Confidential Information, or (v) is rightfully disclosed pursuant to the applicable laws or regulations, or rules of any stock exchange, or orders of the court or other government authorities with notice to the disclosing Party.

Customer Data means all data about Customer's existing or prospective end users that Itron acquires, develops, or derives in connection with performance under this Agreement. Such customer data may include, without limitation, any personally identifying information relating to a Customer's existing or prospective end user, or any other information that, either individually or when combined with other information could be used to identify a particular Customer end user or a prospective Customer end user, which information is not generally available to the public. Customer Data does not include data sets from which all personally identifiable information and Customer-specific details have been removed ("**Anonymized Data Sets**").

Defended Party means a Party entitled to defense and indemnification from the other Party under Section 7 ("Third-Party Claims") of these General Terms and Conditions.

Defending Party means a Party obligated to provide defense and indemnification to the other Party under Section 7 ("Third Party Claims") of these General Terms and Conditions.

Documentation means user manuals, training materials, product descriptions and specifications, technical manuals, supporting materials and other documentation relating to products and services offered by Itron, which Itron customarily makes available to its customers.

Fees means all amounts payable to Itron by Customer for products and services provided under this Agreement, as set forth in an Order Document or Statement of Work.

DRAFT



Intellectual Property and **Intellectual Property** Rights mean all industrial and intellectual property, including, without limitation, patents, patent applications, invention registrations, and all other rights in inventions, copyrights in published and unpublished works, whether registered or unregistered, know-how, trade secrets, and confidential and proprietary information, whether such intellectual property has been created, applied for or obtained anywhere throughout the world.

Order Document means (i) any document attached hereto and identified as an Order Document or SOW on the Attachment Schedule on the Effective Date, and (ii) any other document identified as an Order Document or SOW that contains Fees and any related Statement of Work and supplemental terms and conditions applicable to specific products and/or services, references this Agreement, and is executed by the Parties after the Effective Date.

Statement of Work or SOW means any document describing services to be provided by Itron that is (i) attached hereto and identified as a Statement of Work on the Attachment Schedule, or attached to an Order Document, on the Effective Date, or (ii) any other document identified as a Statement of Work that references this Agreement and is executed by the Parties, or is attached to an Order Document that is executed by the Parties, after the Effective Date.

Territory means the country in which Itron delivers products and services to Customer.

3 Term.

The initial term of this Agreement begins on the Effective Date and expires three (3) years following the Effective Date, unless terminated earlier as set forth herein. Thereafter, the term of this Agreement may be renewed for successive one-year periods, upon mutual written agreement of the Parties. Any in-process Statements of Work and any accepted Purchase Orders as of the expiration date of this Agreement shall be completed by the Parties and the term of this Agreement will be extended solely for that purpose until completion. This section is subject to Section 11 ("Termination") of these General Terms and Conditions.

4 Warranties and Disclaimer.

4.1 Warranties.

All warranties relating to products and services provided by Itron under this Agreement are set forth in the applicable Addendum or Order Document.

4.2 Disclaimer.

EXCEPT FOR THE EXPRESS WARRANTIES PROVIDED BY ITRON UNDER SECTION 4.1 (WARRANTIES") OF THESE GENERAL TERMS AND CONDITIONS, ITRON MAKES NO WARRANTY OF ANY KIND RELATING TO PRODUCTS AND SERVICES AND DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION, (I) IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (II) WARRANTIES OF TITLE AND AGAINST INFRINGEMENT, AND (III) WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE. TO THE EXTENT ANY IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE EXPRESS WARRANTY PERIOD. ITRON AND ITS SUPPLIERS DO NOT WARRANT OR REPRESENT THAT PRODUCTS OR SERVICES WILL BE FREE FROM BUGS, ERRORS OR THAT THEIR USE WILL BE UNINTERRUPTED OR ERROR-FREE. ITRON ASSUMES NO LIABILITY OR RESPONSIBILITY FOR ANY INTERRUPTION OR CESSATION OF

DRAFT



TRANSMISSION VIA CUSTOMER OR THIRD-PARTY WAN, CELLULAR OR OTHER PUBLIC COMMUNICATIONS OR BROADBAND SYSTEMS (INCLUDING OUTAGES, DISCONTINUANCE, DEVICE NON-REACHABILITY, LOSS OR INACCURATE READING) OR FOR ANY CONSEQUENCES, LOSSES, OR DAMAGES ARISING FROM CHANGES MADE BY CUSTOMER TO THE CONTENT OR PROGRAMMING OF EQUIPMENT (UNLESS CAUSED BY A DEFECTIVE PRODUCT). THESE DISCLAIMERS WILL APPLY NOTWITHSTANDING ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED UNDER THIS AGREEMENT.

5 Intellectual Property.

5.1 Reservation of Intellectual Property.

Subject to the limited rights expressly granted by Itron to Customer under this Agreement: (i) Itron reserves all rights, title and interest in and to all of its Intellectual Property, and (ii) as between the Parties, Itron owns all rights, title and interest in and to its Confidential Information and the products, services and related deliverables provided by Itron under this Agreement. Subject to the limited rights expressly granted by Customer to Itron under this Agreement, Customer reserves all rights, title and interest in and to all of its Intellectual Property, and (ii) as between the Parties, Customer owns all right, title and interest in and to its Confidential Information and Customer Data. All rights, titles, and interests not specifically and expressly granted by either Party hereunder are hereby reserved. Nothing in this Agreement will be understood to preclude or limit Itron from providing software, materials, or services for itself or other clients, irrespective of the possible similarity of such software, materials or services to those delivered to Customer.

5.2 Customer Suggestions.

Itron shall have a royalty-free, worldwide, irrevocable, perpetual license to use and incorporate into any products and services any suggestions, enhancement requests, recommendations or other feedback provided by Customer.

6 Fees, Invoicing, Payment, and Taxes.

6.1 Fees.

Fees for products and services are set forth in the applicable Order Document or Statement of Work. Unless otherwise provided in an applicable Addendum, Order Document, or Statement of Work, Fees for products and services are in US Dollars and valid for one (1) year from the effective date of the Order Document or Statement of Work.

6.2 Invoicing.

Itron will invoice Customer for products and services in accordance with the applicable Addendum, Order Document or Statement of Work. Itron will issue invoices to Customer via email to an email address, which Customer shall designate.

6.3 Payment.

Customer must pay each invoice within thirty (30) days of the invoice issuance date. Payment must be made in US Dollars and made by electronic transfer to a bank account designated by Itron.

DRAFT



6.4 Invoice Disputes.
Customer shall notify Itron in writing of any dispute with any invoice (along with substantiating documentation and a reasonably detailed description of the dispute) within 15 (fifteen) business days from the original invoice date. Invoices for which no such timely notification is received shall be deemed accepted by Customer as true and correct, and Customer shall pay all amounts due under such invoices within the period set forth in Section 6.3. The Parties shall seek to resolve all such disputes expeditiously and in good faith in accordance with the dispute resolution provisions set forth in Section 14. Notwithstanding anything to the contrary, each Party shall continue performing its obligations under this Agreement during any such dispute, including, without limitation, payment by Customer of all undisputed amounts due and payable under this Agreement.

6.5 Late Payment.
Except for invoiced payments that Customer has timely disputed, all late payments shall bear interest at the lesser of the rate of one percent (1%) per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. In addition to all other remedies available under this Agreement or at law (which Itron does not waive by the exercise of any rights hereunder), Itron shall be entitled to suspend the provision of any services and/or delivery of any products if Customer fails to pay any undisputed amounts when due hereunder and such failure continues for fifteen (15) days following written notice thereof.

6.6 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 Customer and shall only be reimbursed to the extent consistent with Customer's travel policy.

6.7 No Setoff.
Customer shall not withhold payment of any amounts due and payable under this Agreement by reason of any setoff of any claim or dispute with Itron, whether relating to Itron's breach, bankruptcy, or otherwise, unless otherwise expressly agreed upon by the Parties in writing.

6.8 Taxes.
All prices are exclusive of any taxes, however designated, including without limitation sales or use, goods and services, consumption or other similar fees or taxes imposed on it with respect to the payments due to Itron under this Agreement. Customer shall be responsible for and pay on a timely basis any taxes imposed on it related to products and services provided by Itron pursuant to this Agreement (except for taxes based on Itron's net income) or shall present Itron with an exemption certificate or direct pay permit authorized by the relevant taxing authorities. Applicable taxes shall, to the extent practical, be billed as a separate item on the invoice. The Parties agree to fully cooperate with one another regarding taxes and any related issues arising from this Agreement and to use reasonable efforts to make use of any lawful reliefs or exemptions that could apply. If applicable and

DRAFT



to the extent permitted by law, Customer shall indemnify and hold Itron and its affiliates harmless from any tax liability assessed against Itron or its affiliates but rightfully owed by Customer arising from or related to transactions relating to this Agreement.

7 Third-Party Claims.

7.1 General Claims.

The Defending Party will defend the Defended Party from and against Claims arising from personal bodily injury, death, or damage to tangible personal property or real property, and will indemnify the Defended Party from resulting settlements approved by the Defending Party and final judgments entered against the Defended Party, to the extent caused by the negligence or willful misconduct of the Defending Party.

7.2 Infringement Claims.

Itron will indemnify, hold harmless and defend Customer, or at its option settle, any Claim against Customer alleging that any Itron-branded products or services, as delivered to Customer, infringe upon any third party's United States Intellectual Property Rights. If Itron receives notice of an alleged infringement by any products or services, or if Itron reasonably believes that an infringement Claim is likely, Itron may stop delivery of the affected products or services without liability for failure to deliver them. Itron will have the right, at its sole option, to obtain the right for Customer to continue use of the affected products or services, or to replace or modify the affected products or services so that they are no longer alleged or believed to infringe, if it can be done without significant loss of functionality. If neither of the foregoing options are available to Itron on commercially reasonable terms, Itron may terminate Customer's use of the affected products or Services without further liability under this section, in which case Itron will refund to Customer the depreciated value of the affected product and any prepaid unused portion of the service.

7.3 Conditions to Defense.

As a condition to the Defending Party's obligations under Section 7.1 or Section 7.2 above, the Defended Party must: (i) promptly notify the Defending Party in writing of the Claim; (ii) give the Defending Party all reasonably requested information and assistance in connection with the Claim in a timely manner; and (iii) give the Defending Party the sole right to control the defense and settle of the Claim. The Defending Party shall not enter into any settlement of a Claim against a Defended Party without the Defended Party's prior written consent unless: (a) there is no admission of fault of the Defended Party; (b) there is no injunctive or other non-monetary relief against the Defended Party; and, (c) the settlement includes the claimant's or plaintiff's release of the Defended Party from all liability in respect of the Claim.

7.4 Exclusions to Infringement Claim Defense.

Itron will have no obligation under Section 7.2 above for any infringement Claim in which infringement is alleged or caused by (i) the combination, operation or use of any product or service provided by Itron with any product or service (including third-party software and equipment) not provided by Itron (i) any modification to products or services made either without Itron's prior written consent or by a person other than Itron or an authorized representative of Itron, (ii) failure to use updated or modified products or services as provided by Itron, (iii) use of any release of Itron software or any firmware other than the most current release made available to Customer, (iv) use of products or services not in accordance

DRAFT



with this Agreement and applicable Documentation, or (v) Itron's compliance with any designs, specifications, or instructions provided by Customer, or (vii) use of any Customer or third-party wireless data services. In addition, Itron shall not be liable for enhanced or punitive damages that could have been avoided or reduced by actions within the control of Customer.

7.5 EXCLUSIVE REMEDY. THIS SECTION 7 CONSTITUTES CUSTOMER'S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO THIRD PARTY CLAIMS BROUGHT AGAINST CUSTOMER.

8 Insurance.

Itron will maintain the following minimum levels of insurance (i) workers' compensation insurance for Itron employees equal to applicable statutory limits and an employer's liability policy in an amount not less than $1,000,000.00; (ii) an occurrence form commercial general liability policy or policies in an amount not less than $1,000,000 per occurrence and $2,000,000.00 aggregate; (iii) an automobile liability policy or policies in an amount not less than $1,000,000.00 combined single limit; and (iv) a professional liability policy or policies insuring against liability for errors and omissions covering professional activities contemplated under this Agreement in an amount not less than $1,000,000.00. Upon written request, Itron will provide Certificates of Insurance evidencing the coverage described, so long as Itron is providing products or services under this Agreement. Customer shall be named as an additional insured in the commercial general liability and automobile liability policies.

9 Data Protection.

The Parties must implement and establish reasonable security protocols for the protection and retention of Customer Data. As between Customer and Itron, Customer will retain its rights in Customer Data; provided, however, Customer hereby grants Itron a non-exclusive, royalty-free, perpetual, worldwide license to copy, modify, use, sublicense, distribute, display, create derivative works of all Customer Data for the purposes of (i) providing products and services to Customer, (ii) testing, troubleshooting, and optimizing performance and quality of Itron's products and services, and (iii) creating Anonymized Data Sets, so long as Customer is not identifiable and all personally identifiable information is either removed or anonymized. Itron's use of Anonymized Data Sets, including for the purposes of analysis, reporting, program management, and to maintain, improve, and develop its products and services, shall not conflict with Itron's obligations under this Agreement and shall comply with applicable data security and privacy protection laws. Itron assumes no responsibility for Customer or third-party content carried on Customer's or Itron's systems. Customer warrants and represents that, during the term of this Agreement, (a) it has the legal right and authority to grant Itron access to view, store, and use the Customer Data to provide products and services, and (b) Itron's transmission, use and storage of any such Customer Data in accordance with this Agreement will not violate any applicable laws or regulations or cause a breach of any agreement or obligation between Customer and any third-party.

10 Confidentiality.

Each Party receiving, possessing, accessing or otherwise acquiring Confidential Information of the other Party acknowledges that the disclosing Party's Confidential Information is the property of and confidential to, or a trade secret of, the disclosing Party. The receiving Party: (a) must keep the disclosing Party's Confidential Information confidential and may not directly or indirectly disclose, divulge or communicate that Confidential Information to, or otherwise place that Confidential Information at the disposal of, any other person without the disclosing Party's prior written approval;

DRAFT



(b) must take all reasonable steps to secure and keep secure all disclosing Party's Confidential Information coming into its possession or control; (c) may not disclose any Confidential Information to anyone other than the receiving Party's employees, agents, contractors or subcontractors and professional advisors, or those of its Affiliates, who have a need to know such Confidential Information; (d) must use the Confidential Information solely for purposes related to the subject matter of this Agreement or for potential future commercial transactions between the Parties not otherwise covered by a separate agreement; and (e) must ensure that any person to whom it discloses Confidential Information in accordance with this provision is subject to binding confidentiality obligations that are at least as restrictive as those set forth in this Agreement. It is understood that Customer is subject to the California Public Records Act (Gov. Code §7920.000 *et seq*.). If a request under the California Public Records Act is made to view Itron's confidential information, Customer shall provide Itron with prompt written notice of the request and the date that such records will be released to the requester unless Itron obtains a court order enjoining that disclosure. If Itron fails to obtain a court order enjoining that disclosure, Customer will release the requested information on the date specified. Customer also agrees to reasonably cooperate with Itron to mitigate the disclosure of such software and/or documentation to the extent requested by Itron and allowed by applicable public records laws.

11 Termination.

Either Party may terminate this Agreement by providing the other Party with written notice if the other Party (i) becomes insolvent, executes a general assignment for the benefit of creditors or becomes subject to bankruptcy or receivership proceedings, or (ii) commits a material breach of this Agreement that remains uncured for thirty (30) days following delivery of written notice of such breach. Any notice of breach must specify (a) the nature of the breach, and (b) the specific act or acts that the non-breaching Party contends would correct such breach. For the avoidance of doubt, Customer's failure to pay invoices timely will be deemed a material breach of this Agreement.

12 Survival.

The following sections of these General Terms & Conditions shall survive termination or expiration of this Agreement or any Order Document or Statement of Work: 1 (Introduction), 2 (Definitions), 3 (Term), 4.2 (Disclaimer), 5 (Intellectual Property), 6 (Fees, Invoicing, Payment and Taxes), 9 (Data Protection), 10 (Confidentiality), 11 (Termination), 12 (Survival), 13 (Limitation of Liability), 14 (Disputes), 15 (Governing Law and Venue), 17 (Publicity), 18 (Sub-contractor and Outsourcer), 19 (Independent Contractor), and 20 (Miscellaneous). An Addendum or Order Document may also contain provisions that expressly survive termination or expiration of this Agreement or any Order Document or Statement of Work.

13 Limitation of Liability.

Except for Customer's violation of Itron's Intellectual Property Rights, neither Party will be liable to the other Party for any consequential, indirect, special, incidental, punitive or exemplary damages arising out of this Agreement or products or services provided hereunder (including, but not limited to, damages for loss of data, goodwill, profits other than amounts payable by Customer to Itron hereunder, investments, use of money or facilities; interruption in use or availability of data; stoppage of other work or impairment of other assets), whether or not foreseeable and even if such Party has been advised of the possibility of such damages. Except for Customer's payment obligations hereunder or violation of Itron's Intellectual Property Rights, neither Party's total, aggregate liability to the other Party arising

DRAFT



out of or related to this Agreement or any products or services provided hereunder shall exceed the amounts paid and payable by Customer under the applicable Order Document or Statement of Work during the twelve month period immediately preceding the date upon which the liability arose, regardless of whether any action or claim is based on contract, warranty, indemnity, negligence, strict liability or other tort or otherwise.

14 Disputes.

The Parties shall resolve any dispute, controversy, or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof (each, a "**Dispute**") in accordance with this Section. A Party shall send written notice to the other Party of any Dispute ("**Dispute Notice**"). The Parties shall first attempt in good faith to resolve any Dispute set forth in the Dispute Notice by negotiation and consultation between themselves. In the event that such Dispute is not resolved on an informal basis within thirty (30) Business Days after one Party delivers the Dispute Notice to the other Party, either Party may, by written notice to the other Party ("**Escalation to Executive Notice**"), refer such Dispute to the executives of each Party designated by such Party in a written notice to the other Party ("**Executive(s)**"). If the Executives cannot resolve any Dispute during the time period ending thirty (30) Business Days after the date of the Escalation to Executive Notice (the last day of such time period, the "**Escalation to Mediation Date**"), either Party may submit the Dispute to any mutually agreed to mediation service for mediation by providing to the mediation service a joint, written request for mediation, setting forth the subject of the dispute and the relief requested. The Parties shall cooperate with one another in selecting a mediation service and shall cooperate with the mediation service and with one another in selecting a neutral mediator and in scheduling the mediation proceedings. The Parties covenant that they will use commercially reasonable efforts in participating in the mediation. The Parties agree that the mediator's fees and expenses and the costs incidental to the mediation will be shared equally between the Parties. If the Parties cannot resolve any Dispute for any reason, including, but not limited to, the failure of either Party to agree to enter into mediation or agree to any settlement proposed by the mediator, within sixty (60) Business Days after the Escalation to Mediation Date, either Party may proceed in accordance with the provisions of Section 15 (Governing Law and Venue). Notwithstanding the foregoing, nothing in this Section shall be construed as preventing a Party from seeking available equitable relief, including without limitation, specific performance and injunctive relief in a court of competent jurisdiction.

15 Governing Law and Venue.

This Agreement and all related documents, including all addenda attached hereto, and all matters arising out of or relating to this Agreement, whether sounding in contract, tort, or statute are governed by, and construed in accordance with, the laws of the State of New York, United States of America (including its statutes of limitations), without giving effect to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of New York. Itron hereby consents and submits to the jurisdiction and forum of the state and federal courts in New York, in all questions and controversies arising out of this Agreement. The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.

DRAFT



16 Legal Compliance.
Each Party must comply with all applicable laws. Itron's products and services delivered under this Agreement are subject to the U.S. Export Administration Regulations ("EAR"; 15 CFR part 730 et seq.) and any applicable laws and regulations of the particular country to which such items are shipped or received. Customer shall comply with all applicable export control laws and shall not cause, directly or indirectly, the export, re-export, or transfer of any such items or services to destinations or persons without obtaining any required prior authorization from the U.S. Government and any other applicable local authorities. Customer shall not do anything to cause Itron to violate such export control laws, including, but not limited to, requesting support for a product that has been unlawfully re-exported or requesting delivery of a product or service intended for a U.S. sanctioned region or person. Each Party represents that it is not listed on a U.S. Government restricted party list for export control or trade sanctions purposes, and is not 50% or more owned, in the aggregate, by one or more restricted parties. Customer shall maintain any required export records related to Itron's products or services and make such records available to Itron upon request. The Parties must comply with all anti-bribery laws and may not make any payments or transfer any item of any value for the purpose of bribing any individual or group, or accepting or participating in any extortion, kickbacks, or other unlawful or improper means to obtain business related to this Agreement or products and services orderable under this Agreement.

17 Publicity.
Itron may use Customer's name and logo as a part of Itron's normal marketing materials, provided it does not imply that Customer endorses Itron, unless Customer agrees to such in writing.

18 Nuclear Applications.
Customer acknowledges that products and services orderable under this Agreement are not designed or intended for use in the design, construction, operation or maintenance of any nuclear facility.

19 Sub-contractor and Outsourcer.
Itron may hire, engage, or retain the services of one or more subcontractors and/or outsourcing providers to perform any or all of its obligations related to its product development, network operations, and/or any portion of services provided under this Agreement, provided that Itron shall remain responsible for compliance with the terms of this Agreement. Subcontractors and outsourcing providers that have access to Customer Data will be bound by written obligations of confidentiality and data security requirements as restrictive as those required under this Agreement. Customer Data shall be stored in the United States.

20 Independent Contractor.
This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties. The Parties are independent contractors. Neither Party has any authority to act on behalf of, or to bind the other to any obligation.

21 Force Majeure.
Neither Party (the "Impacted Party") shall be liable or responsible to the other Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for Customer's obligations to make payments to Itron under this Agreement), when and to the extent such failure or delay is caused by or results from acts or omissions

DRAFT



(whether in effect on or after the Effective Date of this Agreement) beyond the Impacted Party's reasonable control and without the Impacted Party's negligence, including, without limitation: (a) acts of God; (b) severe weather, flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) changes in applicable laws or regulations; (e) embargoes or blockades; (f) action or inaction by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages, or slowdowns or other industrial disturbances; (i) shortage of adequate materials, qualified labor, power or transportation; (j) epidemics, pandemics or quarantines; and (k) other similar or dissimilar circumstances outside the Impacted Party's reasonable control and without the Impacted Party's negligence (each a "**Force Majeure**").

22 Conflict Of Interest. Itron 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. Itron and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Itron's services under this Agreement, including the Political Reform Act (Gov. Code § 81000, et seq.) and Government Code Section 1090.

23 No Recourse against Constituent Members of Authority. Customer 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. Customer shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Itron shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Customer's constituent members in connection with this Agreement.

24 Miscellaneous.

(a) If any provision of this Agreement is found to be unenforceable by a court of competent jurisdiction or arbitration panel, such provision will be deleted and the remaining terms will be construed so as to give maximum lawful effect to any such deleted terms. (b) Section numbers and captions are provided for convenience of reference and do not constitute a part of this Agreement. Any references to a particular section of this Agreement will be deemed to include reference to any and all subsections thereof. (c) The Parties agree that neither of them will be deemed the drafter of this Agreement and that no provision will be construed in favor of one Party on the ground that such provision was drafted by the other. (d) No waiver by either Party of any breach under this Agreement will constitute a waiver of any other breach. (e) This Agreement is not made for the benefit of any third parties. (f) All notices under this Agreement must be sent in writing to the addresses identified in this Agreement or to such other address as such Party has notified the other in writing, will be effective on the date received (unless the notice specifies a later date) and must be sent by a courier service that confirms delivery in writing, or by certified or registered mail, postage prepaid, return receipt requested. All communications and notices to be made or given pursuant to this Agreement must be in English. (g) Customer may not assign this Agreement or any of its rights hereunder without Itron's prior written consent. Subject to the foregoing, this Agreement will bind and inure to the benefit of the Parties and their respective successors and permitted assigns, but any assignment in violation of this provision will be void. (h) This

DRAFT



Agreement may be executed and delivered in counterparts, including by a facsimile or by scan and electronic transmission, each of which will be deemed an original. Any document generated by the Parties related to this Agreement may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. (i) This Agreement contains the complete and entire agreement between the Parties as to its subject matter, and replaces and supersedes any prior or contemporaneous communications, representations, or agreements, whether oral or written with respect to such subject matter. Where Customer is required to "click through" or otherwise accept or made subject to any online terms and conditions in accessing or using the services, such terms and conditions are not binding and shall have no force or effect as to the services or this Agreement. (j) This Agreement may not be modified except by mutual written agreement signed by the Parties' authorized representatives expressly modifying this Agreement. Electronic communications do not constitute a "written agreement" under this provision.

DRAFT



AGREED:

Itron, Inc.	**Silicon Valley Clean Energy**
Signature	Signature
Printed Name	Printed Name
Title	Title
Date	Date

DRAFT



EXHIBIT A

ATTACHMENT SCHEDULE

- Software Addendum
- Professional Services Addendum
- Maintenance and Support Services Addendum

DRAFT



SOFTWARE ADDENDUM

1 Relationship to General Terms and Conditions.
This Addendum is subject to the General Terms and Conditions and applicable Order Documents.

2 Additional Definitions.
The following defined terms are in addition to those defined in the General Terms and Conditions:

Authorized Installations means installations of Itron Software only on one production environment and one test environment on Customer premises.

Endpoints means a physical device (e.g., a meter, encoder-receiver-transmitter module, or other measuring, monitoring or sensing device) capable of being used in connection with Itron Software.

Itron Software means the machine readable (object code) version of computer programs listed on an Order Document to be licensed to Customer under this Agreement that are developed by or on behalf of Itron.

License Term means the duration of the Itron Software license granted by Itron to Customer under this Addendum.

Software means Itron Software and Third-Party Software.

Software Warranty Period means a period of 90 days from the date of delivery, unless otherwise specified in the applicable Order Document.

Third-Party Software means the machine readable (object code) version of computer programs listed on an Order Document to be licensed to Customer by a third-party and that are not developed by or on Itron's behalf.

3 Ordering Software.
Customer shall order Software by issuing a Purchase Order to Itron in accordance with this Agreement.

4 Invoicing.
Itron will invoice Customer for Fees due for Software upon the date of delivery.

5 Itron Software License.
Subject to Customer's payment of all applicable Fees and compliance with this Agreement, Itron hereby grants to Customer a non-exclusive and non-transferable license during the License Term to use Authorized Installations of Itron Software and related Documentation for Customer's internal business purposes solely i) within the Territory ii)in connection with the number of Endpoints or other devices specified on the applicable Order Document; and iii) in accordance with any other restrictions specified on the applicable Order Document. Customer is not permitted to copy Itron Software other than to make one machine readable copy for disaster recovery or archival purposes.

DRAFT



6 Third-Party Software.
All Third-Party Software and related documentation is separately licensed to Customer by the applicable third-party, and Customer's rights and responsibilities with respect to such software or documentation shall be governed in accordance with the third-party licensor's applicable software license. If Customer chooses to order Third Party Software, Customer shall enter into or accept one or more separate third-party agreements as part of the ordering, fulfilment, installation and/or download processes for such Third Party Software.

7 Documentation.
Itron will make its standard Documentation for Itron Software available via download. Itron will provide Customer with download instructions.

8 Itron Software License Restrictions.
Customer is not permitted to (i) modify or create any derivative works from Itron Software, (ii) distribute the Itron Software, (iii) include or combine Itron Software with any software, equipment, or hardware other than as expressly authorized in writing by Itron, (iv) use Itron Software to provide services to third-parties, (v) reverse assemble, decompile, reverse engineer Itron Software or otherwise attempt to derive its source code except as may be permitted by applicable law, (vi) export Itron Software out of the Territory, or (vii) use any Itron Software to create products or services that compete with any of Itron's products or services. Customer's breach of these restrictions or use of Itron Software or Documentation other than as licensed hereunder shall constitute a material breach of this Agreement and shall result in revocation and immediate termination of all rights and licenses granted under this Agreement. Revocation does not preclude Itron from pursuing any legal and equitable remedies for Customer's breach of these restrictions.

9 U.S. Government Contracts Only.
If a Software license is acquired under a United States government contract, Customer acknowledges that Software, Updates and associated Documentation (i) are "Commercial Computer Software" as defined in 48 C.F.R. 12.212 of the Federal Acquisition Regulations (FAR) and in 48 C.F.R. 227.7014(a)(i) of the Department of Defense Federal Acquisition Regulations Supplement (DFARS), and (ii) are provided with only the commercial rights and subject to the restrictions described in this Agreement.

10 Limited Itron Software Warranty.
For the Software Warranty Period, Itron warrants solely to Customer that the Itron Software will substantially conform in all material respects to the applicable Itron published specifications. As Customer's sole and exclusive remedy for any breach of this warranty, Itron will, at its option, during the warranty period set forth in this section, repair or replace non-conforming Itron Software to substantially conform to the foregoing warranty, provided that Itron will have no obligation to repair or replace any non-conforming Itron Software if this Agreement or applicable Order Document has terminated or expired. The foregoing warranty does not apply to non-conformities in Itron Software due to: (i) modifications not made or approved by Itron in writing; (ii) Customer's or any third party's negligence or intentional misconduct; (iii) misuse or abuse, including the failure to use or install Itron Software in accordance with the Documentation; (iv) incorrect data, or data entry or output, as applicable, by Customer or a third party; (v) use with third party software, hardware or firmware not provided or authorized by Itron in writing; (vi) a Force Majeure event; or (vii) viruses or security

DRAFT



vulnerabilities introduced into the Itron Software or Customer's systems through no fault of Itron. After the ninety (90) day period described above, any Itron Software errors will be addressed under maintenance and support terms.

11 Effect of Expiration or Termination for Cause.

Upon termination of an Itron Software license for cause or expiration of a License Term, whichever occurs first, Customer shall immediately discontinue use of the applicable Itron Software and related Documentation, and Customer will destroy or return to Itron any and all copies. Upon Itron's request, Customer will confirm in writing that Customer has destroyed or has returned Itron Software and related Documentation in compliance with this section. This requirement applies to copies in all forms, partial and complete, in all types of media and computer memory, and whether or not modified or merged into other files or materials. Termination of an Itron Software license for cause will not restrict Itron from pursuing any other remedies available to it, including injunctive relief, nor will it relieve Customer of its obligation to pay all fees that accrued prior to such termination.

12 Third-Party Software Warranty.

Itron is not the owner of Third-Party Software and makes no representations or warranties whatsoever, directly or indirectly, express or implied, as to the suitability, durability, and fitness for use, merchantability, condition, quality, performance or non-infringement of any Third-Party Software. Third-Party Software shall be subject to any warranties provided by the Third-Party Software provider. Itron will pass through to Customer, or make commercially reasonable efforts to enforce on Customer's behalf, any warranties and remedies received from the Third Party Software provider.

13 License Use Verification & Audit.

13.1 License Use Verification.

Promptly upon Itron's written request, and no more than once annually, Customer must furnish Itron with a letter signed by an officer of Customer, verifying that Itron Software is being used by Customer in compliance with the licenses granted, and confirming the number, identification, type and location of Endpoints and other devices being managed by Customer using Itron Software.

13.2 Audit.

Itron has the right to audit Customer records to verify the number of Endpoints and other devices being managed by Customer using Itron Software and otherwise confirm Customer's compliance with license restrictions and Fee obligations of this Agreement. Itron must provide Customer with at least thirty (30) days prior written notice of the audit. The audit must be conducted during Customer's normal business hours at a mutually agreeable location. Itron's right to conduct an audit under this section is limited to one time per year, unless Itron has reason to believe that Customer is out of compliance with the license restrictions and Fee obligations of this Agreement. Itron has the right to use an independent auditor to conduct the audit. The audit shall be at Itron's sole cost and expense, unless the audit identifies a deficiency in Fees or other amounts owed or reimbursable by Customer during the audited period that is greater than five percent (5%) of the total amounts payable by Customer – in which case Customer must reimburse Itron for all reasonable costs of the audit. All amounts found to be owed by Customer under this Section will be payable within thirty (30) days after receipt of invoice from Itron.

DRAFT



14 Survival.

The following sections of this Addendum shall survive termination or expiration of this Agreement or any Order Document or Statement of Work: 1 (Relationship to General Terms and Conditions), 2 (Additional Definitions), 4 (Invoicing), 5 (Itron Software License) except to the extent applicable license rights expire or are terminated in accordance with this Agreement, 6 (Third-Party Software), 8 (Itron Software License Restrictions), 9 (U.S. Government Contracts Only), 10 (Limited Itron Software Warranty), 11 (Effect of Termination for Cause), 12 (Itron Disclaimer of Third-Party Software Warranty), 13 (License Use Verification & Audit) and 14 (Survival).

[End]

DRAFT



PROFESSIONAL SERVICES ADDENDUM

1. Relationship to General Terms and Conditions.
This Addendum is subject to the General Terms and Conditions and applicable Order Documents.

2. Additional Definitions.
The following defined terms are in addition to those defined in the General Terms and Conditions:

Change means a change to the scope of Professional Services or related deliverables to be provided by Itron under a Statement of Work.

Change Request means a request made by Itron or by Customer for a Change.

Change Order means a written document describing a Change agreed to by Itron and Customer that is signed by both Parties.

Professional Services means professional services such as installation services, implementation services, consulting services and project management services and other similar services described in a Statement of Work, but excluding cloud services, managed services and support and maintenance services.

3. Statement of Work Requirement.
Itron has no obligation to provide Professional Services in the absence of a Statement of Work agreed to by Itron and the Customer and a Purchase Order issued by Customer to purchase Professional Services under that Statement of Work. Customer shall order Professional Services by issuing a Purchase Order to Itron in accordance with this Agreement.

4. Expenses.
Customer will reimburse Itron for reasonable out-of-pocket travel-related expenses incurred by Itron relating to the provision of Professional Services unless specified otherwise in the Statement of Work.

5. Invoicing.
Itron will invoice Customer for Professional Services as set forth in the applicable Order Document or Statement of Work. Unless otherwise provided in the applicable Order Document or Statement of Work, Itron will invoice Customer for Professional Services at the end of the month in which they are performed and for expenses as incurred.

6. Customer Responsibilities.
Customer shall timely perform all its assigned roles, responsibilities and tasks under each Statement of Work using qualified personnel. Customer shall also provide Itron with reasonable cooperation with respect to the Professional Services, including for example, by providing Itron with reasonable access to Customer's facilities, service territory, personnel, systems, and information.

DRAFT



7. Reference Information.
If Customer provides Itron any designs, technical information, or other information required by Itron to provide Professional Services and/or related deliverables (collectively, "**Reference Information**"), Itron shall be entitled to rely on the accuracy of such information and documents. To the extent Customer's failure to provide accurate and complete Reference Information results in any delay or increases Itron's cost of performing Professional Services, the delay shall be excused, and Itron shall have the right to increase its Fees as necessary to offset its increased costs of performing Professional Services. Itron will provide Customer with reasonable evidence of its increases costs of performing the Professional Services and will make commercially reasonable efforts to minimize such costs to the extent practicable under the circumstances.

8. Delays.
To the extent Customer's failure to adhere to Customer's responsibilities and requirements under an Order Document or Statements of Work results in any delay or increases Itron's cost of performing Professional Services, the delay shall be excused, and Itron shall have the right to increase its Fees as necessary to offset its increased costs of performing Professional Services. Itron will provide Customer with reasonable evidence of its increases costs of performing the Professional Services and will make commercially reasonable efforts to minimize such costs to the extent practicable under the circumstances.

9. Express Warranties for Professional Services.
Itron warrants to Customer that Professional Services will be provided by personnel with the requisite experience, skills, knowledge, training and education and in a timely, professional, and workmanlike manner in accordance with the applicable Statement of Work.

10. Remedies.
As Customer's exclusive remedy for any material noncompliance by Itron with the express warranties provided above for Professional Services, Itron shall correct any noncompliance within a reasonable period of time under the circumstances, if Customer gives Itron written notice (which notice must describe the noncompliance in sufficient detail to enable Itron to provide the required corrective action) within ninety (90) days of performance of the applicable noncompliant Professional Services. If Itron, in its sole discretion, is unable to correct the noncompliance, it will refund to Customer a pro-rata amount paid for the nonconforming Professional Services.

11. Change Requests & Change Orders.
Either Party may propose a Change Request. All Changes must be approved pursuant to the Change Order. The Parties will adhere to any Change Request procedures set forth in the applicable Order Document or Statement of Work. If Itron receives a Change Request from Customer, Itron will prepare and submit a proposed Change Order to Customer describing the Change and associated fees. No Change Order will be binding upon Customer or Itron unless signed by authorized representatives of both Parties. All Change Orders will be governed by the terms and conditions of this Agreement.

12. Project Deliverables.
Itron shall provide Customer with project-related documentation and other deliverables identified in the applicable Statement of Work. Customer shall have a non-exclusive, non-transferable license to use

DRAFT



such documentation and other deliverables for Customer's internal business in furtherance of the purpose for which they were provided by Itron. For clarity, the foregoing license does not apply to software or firmware licensed by Customer under other Addenda to this Agreement.

13. Survival.
The following sections of this Addendum shall survive termination or expiration of this Agreement or any Order Document or Statement of Work: 1 (Relationship to General Terms and Conditions), 2 (Additional Definitions), 3 (Statement of Work Requirement), 4 (Expenses), 5 (Invoicing), 7 (Reference Information), 8 (Delays), 9 (Express Warranties for Professional Services), 10 (Remedies), 11 (Change Requests & Change Orders), 12 (Project Deliverables) only with respect to licensing, and 13 (Survival).

[End]

MAINTENANCE AND SUPPORT SERVICES ADDENDUM

1. Relationship to General Terms and Conditions.
This Addendum is governed by the General Terms and Conditions and applicable Order Documents.

2. Additional Definitions.
The following defined terms are in addition to those defined in the General Terms and Conditions:

Annual Adjustment means Itron's annual price increase.

Annual Fees means the annual fees identified in an Order Document for each category of Covered Product, plus the Annual Adjustment, if any.

Client Services Guidelines Documents means the following documents as they may be updated by Itron from time to time: "Product Contact Information Sheet", "After Hours Support", "Itron Equipment Repair Center Locations", and "Working Effectively with Itron Global Services". Copies of the Client Services Guidelines Documents may be obtained by calling (877) 487-6602 or such other number or process provided by Itron to Customer.

Covered Equipment means Itron equipment identified as "Covered Equipment" in an Order Document.

Covered Firmware means Itron's network and application firmware embedded within a communicating device identified in an Order Document (e.g., network interface cards, meters, endpoints, network equipment, etc.) for which Customer has purchased firmware Maintenance Services.

Covered Products mean Covered Firmware, Covered Software, Covered Equipment and Third Party Covered Products.

Covered Software means Itron software identified as "Covered Software" in an Order Document.

Error means a material failure of Covered Firmware or Covered Software to comply with applicable published Itron specifications.

DRAFT



Fix means a correction or workaround for an Error.

Global Support Services means those support services provided by Itron technical representatives via telephone, email, website or other means to assist Customer's Primary Service Contacts with questions or issues related to the operation of Covered Products.

Improvement means an update, modification, enhancement and/or extension to Covered Software functionality that is included in a Release.

M&S Commencement Date means the date upon and after which a Covered Product will be entitled to receive Maintenance Services, which unless otherwise provided in the applicable Order Document, will be as follows:

Covered Product	M&S Commencement Date
On premise Covered Software	First day of month following date Covered Software is made available to Customer
Covered Firmware	Date of shipment of the applicable communicating device
Covered Software provided as Software-as-a-Service or Hybrid SaaS subscription	The earlier of (1) validation of Software-as-a-Service implementation by Itron pursuant to the applicable Statement of Work, or (2) sixty (60) days after completing application system setup
Covered Equipment	End of warranty period
Third Party Covered Products	Per applicable third-party service provider terms and conditions

Maintenance Billing Cycle means a period of one year beginning on the Effective Date or any anniversary thereof.

Maintenance Services means services provided under this Addendum.

Operating Condition means performance in accordance with applicable published Itron specifications.

Primary Services Contacts means Customer's primary support staff who provides internal support to Customer's operations personnel and who are key interface to Itron for all Maintenance Services.

Release means a collection of Fixes and / or Improvements made available by Itron to Customer.

Service Levels means the defined level of impact and associated response time, effort level, and escalation path procedures and guidelines described in Attachment A-1 to this Addendum.

Service Request means an Itron tracked Customer request for Global Support Services.

Third Party Covered Products means third-party equipment and third-party software identified as "Third Party Covered Products" in an Order Document.

DRAFT



3. End of Support.

Itron may discontinue Maintenance Services for any Covered Equipment, Covered Firmware or Covered Software, effective as of the end of the applicable Maintenance Billing Cycle, by giving Customer written notice of such discontinuance no less than one hundred eighty (180) days prior to the end of such Maintenance Billing Cycle. The end of support date for a Third Party Covered Product shall be the date specified by the applicable third-party service provider, which date will be promptly communicated by Itron to Customer following the date of receipt.

If the end of support date is scheduled within a subsequent Maintenance Billing Cycle, Annual Fees for that subsequent Maintenance Billing Cycle will be pro-rated through the end of support date. At Customer's request, or as defined in a related SaaS addendum / Order Document, Itron may elect to provide custom support for products for which Maintenance Services have been discontinued at Itron's then-current rates. Unless otherwise agreed by the Parties in accordance with the foregoing sentence, Itron shall have no obligation to provide Maintenance Services with respect to Covered Products for which Itron has discontinued Maintenance Services.

Periodically, Itron will make available product plan publications, including product information letters (PIL), product newsletters or written technology roadmaps which outline Itron's general plans for continued support and end of support of applicable Covered Products. Product publications are used as general guidelines for Customer communications and planning, which may be updated from time to time.

4. Principal Services Contacts.

4.1 Designation by Customer.

Customer shall designate a minimum of one and not more than two Primary Services Contacts for each Covered Product line, to serve as administrative liaisons for all matters pertaining to Maintenance Services for such Covered Product line and shall provide their contact information to Itron's customer account representative. Primary Services Contacts shall promptly report problems with Covered Products by submitting a Service Request for entry into Itron's support tracking system. Although it is Customer's sole right to choose its Primary Services Contacts, Customer and Itron acknowledge that each Primary Services Contact must have the appropriate technical skills and training for the position. If Customer replaces a Primary Services Contact, Customer will provide updated contact information to Itron's customer account representative, and the new Primary Services Contact will be properly trained prior to interfacing with Itron support personnel.

4.2 Training of Principal Services Contacts.

Before a Primary Services Contact interfaces with Itron support personnel, he/she will attend training sessions offered by Itron, an Itron-approved trainer, or Customer's training program approved by Itron to ensure that the Primary Services Contact is (i) knowledgeable about operation of the applicable Covered Products, and (ii) qualified to perform problem determination and remedial functions with respect to such Covered Products. Customer may perform Itron-approved training or may engage Itron to perform training of Primary Services Contacts at Itron's then current rates. Itron will make training sessions available by remote video conference or training will be made available at a location or in a

DRAFT



manner mutually agreed by the Parties. Customer shall be responsible for all Customer's associated travel-related expenses and, if the Parties agree that training will be provided at a location other than an Itron-designated facility (e.g., at a Customer-proposed facility), Customer will also reimburse Itron's pre-approved travel-related expenses. The Primary Services Contacts must have the skills and capabilities to train other Customer personnel on Covered Products. Itron may update Covered Product training from time to time and, upon receiving notice of such updates from Itron, Customer shall promptly provide such training to its Primary Services Contacts in accordance with this Section.

5 Global Support Services & Service Requests.

5.1 Global Support Services.

Itron will make support representatives available to provide technical support during its then current normal business hours as set forth in the Product Contact Information Sheet included within the Client Services Guidelines Document. Global Support Services include troubleshooting & problem diagnosis relating to Covered Products; release or system management consulting; and recommendations for fully utilizing Covered Products. Customer acknowledges and agrees that Global Support Services are not intended as a substitute for training of Customer personnel, field support, or Itron professional services. Nor will Customer use Global Support Services in lieu of having qualified and trained support personnel of its own.

5.2 Service Request Process.

Customer shall submit Service Requests in the manner required by the Client Services Guidelines Documents and Service Levels. Customer may submit Service Requests on a 24/7/365 basis and Itron will respond to such Service Requests in accordance with the Service Levels. When Customer submits a Service Request, Customer will reasonably assess its urgency according to the appropriate Severity Level in Attachment A-1 to this Addendum. Itron will designate the initial Severity Level and the Parties will resolve any perceived gap regarding the Severity Level designation as soon as is reasonably practical.

5.3 Field Support.

At Customer's request, and Itron's approval, Itron will dispatch support personnel to Customer's location to provide onsite Global Support Services ("*Requested Field Support*") related to a reported problem which cannot be addressed remotely. Requested Field Support will be billed at Itron's then-current rates, and Customer will reimburse Itron's pre-approved travel-related expenses, unless the cause of the reported problem is found to be the fault of Itron.

6 Itron Firmware and Software Maintenance.

6.1 Scope.

Firmware Maintenance Services covers its associated Covered Firmware embedded within the applicable communicating device. Software Maintenance Services covers its associated Covered Software sold as any of the following: (i) on premise software license, and (ii) Software-as-a-Service or SaaS Hybrid subscription for software residing in the Itron cloud.

6.2 Modifications.

Itron may modify or replace Covered Firmware and Covered Software so long as such modifications or replacements do not eliminate key, documented functionality provided by the most current System Release.

DRAFT



6.3 Fixes.

Itron shall provide Fixes in accordance with the Service Levels. Itron's obligations with respect to Service Levels are contingent upon Customer (i) devoting the same level of effort to resolving the Error as is required of Itron, (ii) responding to requests made by Itron within the applicable Response Time, (iii) assigning only qualified personnel to help Itron address the Error, and (iv) providing all information, access, and assistance reasonably requested by Itron to address the Error.

6.4 Improvements.

Itron shall provide Improvements, if any, at no charge to Customer if such Improvements are made within the current product specifications and are made available to Itron customers generally at no charge. Improvements released as new add-on modules/features and not part of the products original specifications, may require additional licensing and support fees and will be made available at Itron's then current rates.

6.5 Software Releases.

6.5.1 Release Numbering Convention.

Upgrades, Fixes and/or Improvements are made available to customers through periodic Software Releases. For informational purposes, Itron's current practice (which may be changed by product, at any time in Itron's discretion) is to provide Software Releases using the numbering guideline, "X.X.X.X"

6.5.2 The first place, "X.X.X.X", in Itron's numbering convention refers to a "Major Release", or "System Release", which consists of a new version of Covered Software. A Major Release may include architectural changes, Improvements, Fixes and / or interfaces to new functional modules or platforms. A Major release may require infrastructure or component updates which affect compatibility with previous release versions.

6.5.3 The second place, "X.X.X.X", in Itron's numbering convention refers to a "Minor Release, which is an update to a current Major Release. A Minor Release may include consolidation of previous Service Packs, Improvements, Fixes, platform / 3rd party updates. Minor Release are provided to Itron customers on a regularly scheduled basis.

6.5.4 The third place "X.X.X.X", in Itron's numbering convention refers to a "Service Pack, which is an update to specific modules found in a current Major Release. A Service Pack may include Fixes to Severity 1 - Severity 4 issues for a specified Minor or Major Release.

6.5.5 The fourth place, "X.X.X.X", in Itron's numbering convention refers to a "Hot Fix," which is an un-scheduled release provided to one or more customers as a short-term, temporary fix to a critical Severity Level 1 Error. While not utilized by all Itron software product lines, Hot Fix releases are not made available to Itron customers generally but may be included in the next scheduled Minor Release or Service Pack for general release.

6.6 Support for Covered Firmware.

Itron will only provide Maintenance Services for Covered Firmware if Customer: (i) is current on all applicable fees for such Maintenance Services, (ii) tests and installs the latest Covered Firmware Fix within twelve (12) months of being made available to Customer, and (ii) tests and installs the latest Covered Firmware Improvement within twenty-four (24) months of being made available by Itron.

DRAFT



6.7 Support for On Premise Itron Enterprise Edition and OpenWay Software.
Itron will only provide Maintenance Services for on premise Itron Enterprise Edition and OpenWay software if Customer: (i) pays the applicable fees for such Maintenance Services, (ii) tests and installs Service Pack Releases associated with the Major or Minor Release in use by Customer within twelve (12) months of such Service Pack Releases being made available to Customer, and (iii) tests and installs the latest Major or Minor Releases within twenty-four (24) months to thirty-six (36) months of such Software Release being made available by Itron.

6.8 Support for Other On Premise Covered Software.
Itron will only provide Maintenance Services for other on premise Covered Software if Customer: (i) pays the applicable fees for such Maintenance Services, and (ii) tests and installs Major, Minor and Service Pack Releases within twelve (12) months of such Software Releases being made available by Itron.

6.9 Support for SaaS or IaaS.
Itron will only provide Maintenance Services for Covered Software sold as a Software-as-a-Service or Hybrid SaaS subscription if Customer: (i) is current on all applicable fees for such Software-as-a-Service or SaaS Hybrid subscription and related Maintenance Services, and (ii) tests a Release as installed by Itron either in Customer's production Software-as-a-Service or Hybrid SaaS environment, or in Customer's funded non-production Software-as-a-Service or Hybrid SaaS environment, prior to Customer's full production use of the Release.

6.10 Support for Unsupported Itron Software and Firmware.
At Customer's request, Itron may elect to provide Maintenance Services for an unsupported Release at its then-current rates.

6.11 Mandatory Revisions.
Customer must install all software and firmware updates, patches, and service packages provided by, or as directed by, Itron from time to time and which may be required to correct errors, vulnerabilities, third-party concerns, or as otherwise necessary to ensure proper functioning of the Covered Software or to protect the interests of the Parties ("**Mandatory Revisions**"). ITRON IS NOT LIABILE FOR ANY CUSTOMER OR THIRD-PARTY DAMAGES RESULTING FROM CUSTOMER'S FAILURE TO INSTALL ANY MANDATORY REVISION IN A TIMELY MANNER.

6.12 Installation Services for On Premise Releases.
Maintenance Services for on premise Covered Software and Covered Firmware includes the following Release installation services: limited, remote consulting support, during standard business hours, for Covered Software and Covered Firmware on Itron-approved server configurations for one production server and one non-production server (test, training, or back-up – for example) owned / operated by Customer. At Customer's request, Itron may provide on premise Software Release installation services for System Releases or Service Packs on current certified production servers, additional production servers or nonproduction servers, at its then-current rates. Itron will install Releases to Covered Software sold as a Software-as-a-Service or Infrastructure-as-Service subscription in accordance with the applicable terms and conditions for such services.

DRAFT



6.13 Restoring Firmware or Software to Maintenance Services.
If Customer declines or discontinues Maintenance Services for Covered Firmware or Covered Software and thereafter wishes to resume such Maintenance Services for the most recent Release of that Covered Firmware or Covered Software, Customer shall, prior to receiving Maintenance Services, notify Itron in writing of its request for Maintenance Services and pay Itron's then-current re-initiation fee, which shall not exceed an amount equal to all Annual Fees that would have been invoiced for the applicable Covered Firmware or Covered Software if Customer had not elected to decline or discontinue Maintenance Services for that Covered Firmware or Covered Software, plus a five percent (5%) markup, in addition to prorated Annual Fees for the then-current Maintenance Billing Cycle.

6.14 Exclusions.
Itron shall have no obligation to provide Maintenance Services for, or liability to Customer for Covered Software adversely affected by (i) use of Covered Firmware or Covered Software by anyone other than Itron in combination with software, equipment, or communications networks not referenced in the Documentation as being compatible with the Covered Firmware or Covered Software; (ii) modification or recompiling of Covered Firmware or Covered Software or Covered Software installation instructions / installation scripts or database schema scripts, or improper installation of a Release, by anyone other than Itron, (iii) failure to perform customer responsibilities describe in this Addendum, (iv) use of an unsupported version of Covered Firmware or Covered Software by anyone other than Itron; (v) Customer's failure to implement a Mandatory Revision; (vi) maintenance and/or support of Covered Firmware or Covered Products other than by Itron; or (vii) viruses introduced through no fault of Itron.

6.15 Documentation and Backup.
Itron will make an electronic copy of the Documentation available to Customer at no additional charge via physical media or download access. Itron will also maintain a copy of its most recent supported version of executable Covered Firmware and on premise Covered Software to be made available to Customer or installed by Itron as necessary in the event of corrupted or inoperative Covered Firmware or on premise Covered Software. Said copy of executable Covered Firmware or on premise Covered Software or Third-Party software does not relieve Customer of its responsibility to backup and managed its Covered Firmware or on-premise software installation as part of ongoing system operation.

6.16 Customer Responsibilities.
The provision of Maintenance Services for Covered Firmware or Covered Software by Itron assumes that Customer will facilitate such services as follows:

6.16.1 Service Requests.
Customer will support Itron investigation and restoration efforts as defined in the Service Level table and will act upon / implement support solutions and workarounds recommended by Itron in a timely fashion. When escalating a Service Request with Itron, Customer's Primary Service Contact shall collect and provide all data logs, findings, analysis, and any relevant forensic information pertaining to the issue as outlined in Client Services Guideline Documents.

6.16.2 Data Review.
If Itron determines that it is necessary to evaluate Customer data to reproduce error conditions not reproducible with Itron's standard test data sets, Customer will provide Itron with reasonable access to such data. Itron shall not be liable for any delay or failure to resolve the problem if access to such Customer data is denied to Itron.

DRAFT



6.16.3 Installation and Upgrades.
Customer will engage Itron Global Support Services or their Itron account team for any Covered Firmware or on premise Covered Software installations and upgrades which require support beyond that provided herein.

6.16.4 Remote Access.
Customer is responsible for supporting necessary remote access to Covered Firmware or on premise Covered Software by Itron support personnel assigned to provide Maintenance Services for purposes of remote diagnosis and troubleshooting of Covered Firmware or on premise Covered Software. Itron shall not be liable for any delay or failure to resolve a problem if remote access to Covered Firmware or on premise Covered Software is denied to Itron.

6.16.5 System Configuration, Operation and Maintenance. Customer is responsible for the configuration, operation, and maintenance of equipment, system peripherals, operating system, and data communications environment associated with on premise Covered Software. These activities include but are not limited to checking audit logs, clearing discovered exceptions, and performing daily, weekly, and monthly operational tasks and systems responsibilities. Customer is responsible for any change made to Customer's software system, operating system, database or network configuration or any change to installation procedures, scripts, or any other provisions that materially affect the usability or operation of on premise Covered Software. Customer will consult with Itron prior to making any material changes that may affect the installation or operation of on premise Covered Software.

6.16.6 Network Administration.
Customer is responsible to monitor and maintain, repair, replace and upgrade its local, and wide area network components (if any)—including network servers, network clients, network hubs, routers, modems, and other software components necessary for efficient and reliable network operations associated with Covered Firmware or on premise Covered Software—to ensure continued conformance with the applicable published Itron specifications. In addition, Customer is responsible to administer related host names, Internet Protocol addresses, network interfaces, access, security, communications, and equipment and software version control.

6.16.7 Database Administration.
Customer is responsible to administer the agreed upon database(s) associated with on premise Covered Software, including hardware and software components, in accordance with the Documentation, which administration shall include, monitoring the database server, backing up electrical power sources, and configuring and administering of database schema, application interfaces, networking operating system, communications, and file transfer software. Customer is responsible to maintain database files (e.g., truncate, cleanup, and delete files consistent with industry standard practices) and perform regular data backup and data archiving.

7 Itron Equipment Maintenance.

7.1 Preventive and Corrective Maintenance.

Upon receipt of an item of Covered Equipment, Itron shall (i) perform preventative Maintenance Services necessary to maintain the Covered Equipment in Operating Condition, and (ii) diagnose and correct any

DRAFT



failure in the Covered Equipment as necessary to meet Operating Condition, excluding minor cosmetic deficiencies such as blemishes, dents or scratches.

7.2 Maintenance Procedures.
Customer shall initiate a request for Maintenance Services for Covered Equipment by delivering the Covered Equipment to the applicable Itron Certified Repair Center identified on the Itron Equipment Repair Table. Return of Covered Equipment shall be at Customer's expense and in accordance with Itron's then-current Return Material Authorization ("RMA") procedures. Upon receipt of Covered Equipment (with the required information) under Itron's RMA procedures, Itron shall assess the item to determine (a) whether it is in fact Covered Equipment and (b) whether the maintenance requested is included within the Maintenance Services ordered by Customer and not otherwise excluded from coverage. If the returned equipment is determined to be Covered Equipment and the maintenance requested is included in the Maintenance Services ordered by Customer, Itron shall provide the applicable Maintenance Services and return the item of Covered Itron Equipment to Customer at Itron's expense within the applicable turnaround time identified on the Itron Equipment Repair Table. If Itron determines that returned equipment is not Covered Equipment or is excluded from the Maintenance Services ordered by Customer, then Itron will proceed in accordance with the estimation fees section below.

7.3 Exclusions.
Covered Equipment Maintenance Services do not include repairs related to: (i) damage due to accident, abuse, misuse, inadequate maintenance, problems caused by electrical power surges or acts of God outside of the tolerances set forth in the applicable published Itron specifications; (ii) service or repair processes (including installation or de-installation of equipment, parts, or firmware/software) not performed or authorized by Itron; (iii) use of parts, configurations or repair depots not certified or authorized by Itron; or (iv) Customer's failure to perform material Customer responsibilities in accordance with this Addendum, including caring for Covered Equipment in accordance with applicable Documentation.

7.4 Estimation Fees.
Itron will provide Customer with a price quote for the estimated cost (including current inspection fees), including labor, materials and shipping, for any repairs to equipment that are requested, which Itron determines are excluded from or not included within the Maintenance Services ordered by Customer. If Customer elects not to proceed with the requested repair, Itron will return the item of equipment at Customer's expense and Itron may charge Customer its then-current inspection fee.

7.5 Adding/Restoring Equipment to Maintenance Services.
Following the Effective Date, additional Covered Equipment purchased by Customer, of a similar type and model already covered under this Addendum, shall automatically be deemed to be Covered Equipment following the M&S Commencement Date. If Customer declines or discontinues Maintenance Services for any Covered Equipment and thereafter wishes to add or restore such equipment as Covered Equipment, Itron may, prior to such equipment being included as Covered Equipment, inspect such equipment at Itron's then current rates to determine whether it is in Operating Condition and/or charge Itron's then current re-certification fee, in addition to prorated Annual Fees for the then-current Maintenance Billing Cycle (the "Re-initiation Costs"). At Customer's request, Itron will provide Customer

DRAFT



with a quote for estimated Re-initiation Costs for equipment that Customer wishes to add or restore as Covered Equipment under this section.

7.6 Equipment Responsibilities.
Itron shall make available, and Customer shall obtain, a copy of the Documentation for Covered Equipment and Customer will be responsible to perform preventive maintenance for each such item in accordance with such Documentation. Customer shall also keep accurate records of Covered Equipment serial numbers and locations to assist Itron with performing Maintenance Services

8 Fees and Invoicing.
As compensation for the Maintenance Services, Customer shall, in advance, pay to Itron Annual Fees for each Maintenance Billing Cycle in which it receives Maintenance Services. Itron shall invoice Customer for Maintenance Services to be provided during the first Maintenance Billing Cycle as soon as practicable following the Effective Date. For Maintenance Services provided during any subsequent Maintenance Billing Cycle, including Maintenance Services for newly purchased or licensed Covered Products, Itron shall provide Customer with a renewal notice at least 120 days prior to the commencement of each Maintenance Billing Cycle. Customer may discontinue Maintenance Services for any Covered Product(s) by providing Itron with written notice of non-renewal for such Covered Product(s) no less than 90 days prior to the commencement of any subsequent Maintenance Billing Cycle. Otherwise, approximately 20 days prior to the commencement of each subsequent Maintenance Billing Cycle, Itron shall provide Customer with an invoice for Annual Fees payable by Customer for the forthcoming Maintenance Billing Cycle. Itron may, in its discretion, invoice Customer for Maintenance Services for a Covered Product that is added during any Maintenance Billing Cycle as soon as such Maintenance Services have been added (at a prorated amount) or at the beginning of the next Maintenance Billing Cycle. The Annual Fee for any partial Maintenance Billing Cycle (i.e., for Covered Products with a Maintenance Commencement Date or an increase in the applicable Annual Fees that falls after the beginning of the Maintenance Billing Cycle) shall be prorated based on the applicable M&S Commencement Date or Annual Fee increase date and the remaining number of months Customer is to receive Maintenance Services during such Maintenance Billing Cycle.

9 Support for Third Party Products.
Itron shall provide first tier Global Support Services for Third Party Covered Products by handling all Customer inquiries, attempting to identify the component involved in the problem and obtaining appropriate documentation of such inquiry or problem. In addition, Itron shall make commercially reasonable efforts to facilitate Customer's receipt of maintenance and support for such Third-Party Covered Products consistent with the third-party maintenance terms identified on the applicable Order Document. Notwithstanding anything else to the contrary, Itron's sole obligation under this Addendum with respect to Third Party Covered Products shall be as set forth in this section.

10 Survival.
The following sections of this Addendum shall survive termination or expiration of this Agreement or any Order Document or Statement of Work: Section 3 (End of Support), 6.14 (Exclusions), 7.3 (Exclusions), Section 8 (Fees and Invoicing) and 10 (Survival).

DRAFT



Attachment 1 to Maintenance & Support Services Addendum
– Software Maintenance & Support Service Levels –

DRAFT



Severity Level	Response Times	Effort Level and Restoration	Escalation
Severity Level 1* **Business Impact: Critical Impact / System Down.** A Production System Error for which there is no work-around, which causes Covered Firmware or Covered Software Product or a critical business function / process of said product to be unavailable such that system operation cannot continue. **Example:** a) Billing cannot be completed, b) Major documented function not working, c) System hung or completely down	During regular business-hours Itron will begin the Service Request process during Customer's initial call. During after-hour periods, Itron will respond to a critical support voice messages within 15 minutes by a return call to Customer, to validate receipt of the critical support call and begin the Service Request process. Following the start of the Service Request process Itron will respond to Customer's Service Request within two (2) business hours with an investigation response. Itron will update Customer at three (3) hour intervals during each day the Service Request remains unresolved, or as otherwise agreed by the Parties. Customer will respond to an Itron inquiry or request within three (3) hours.	Itron will make diligent efforts on a 24x7 basis, or as otherwise agreed by the Parties, to: i) restore Covered Firmware or Covered Software with a change to eliminate root cause, ii) provide a workaround which restores Covered Firmware or Covered Software and downgrades the Severity Level to S2, S3, S4. Customer Support Staff must be available 24x7 to work cooperatively with Itron continuously until such time restoration is achieved.	An unresolved Service Request shall be escalated to Itron management as follows: **After 30 minutes:** Technical Customer Support Team Lead **After 8 hours**: Manager, Technical Client Services **After 16 hours**: Director, Global Support Services **After 48 hours**: Service Request. Vice President, Services and Delivery **After 72 hours**: President, Itron

DRAFT



Severity Level	Response Times	Effort Level and Restoration	Escalation
Severity Level 2* **Business Impact: Major impact, degraded Operation**. An Error other than a Severity Level 1 Error, for which there is no work-around, which degrades or limits operation of major system functions causing Covered Firmware or Covered Software to miss required business interface or deadlines. Covered Firmware or Covered Software remains available for operation but in a highly restricted fashion. **Example:** a) Billing cannot be completed on time, b) Major function is operating outside documented timing / term, c) Covered Firmware or Covered Software operating slow, missing data, data delivery, daily mission.	During regular business-hours Itron will respond to Customer regarding Service Request within one (1) business day. While Service Request remains unresolved, Itron will update the Customer and the Service Request at least every other business day, or as otherwise agreed by the parties. Customer will respond to an Itron inquiry or request within one (1) business day.	Itron will make diligent efforts during normal business hours to: i) restore Covered Firmware or Covered Software with a change to eliminate root cause, ii) a workaround which restores Covered Firmware or Covered Software and downgrade the Severity Level to S3, S4.	An unresolved Service Request shall be escalated to Itron management as follows: **After 1 hours:** Technical Customer Support Team Lead **After 8 hours**: Manager, Technical Client Services **After 24 hours**: Director, Global Support Services **After 30 Days**: Vice President, Services and Delivery

DRAFT



Severity Level	Response Times	Effort Level and Restoration	Escalation
Severity Level 3** **Business Impact: Minor Business Impact, compromised operations.** An Error other than a Severity Level 1 or Severity Level 2 Error that has moderate impact on use of or access, with low business impact, but not preventing Customer from performing daily activities. Example: The Service Request affects use by Covered Firmware or Covered Software users, allowing Customer's functions to continue to meet daily business needs.	During regular business-hours Itron will respond to Customer regarding Service Request within two (2) business days. While Service Request remains unresolved, Itron will update the Service Request weekly, or as otherwise agreed by the parties. Customer will respond to an Itron inquiry or request within two (2) business days.	Itron will work during normal business hours to: i) restore Covered Firmware or Covered Software with a change to eliminate root cause, ii) a workaround which restores Covered Firmware or Covered Software and downgrades the Severity Level to S4.	

DRAFT



Severity Level	Response Times	Effort Level and Restoration	Escalation
Severity Level 4 **Business Impact: Standard Operations intact**. A low or no-impact Error other than a Severity Level 1, Severity Level 2 or Severity Level 3 Error, or a request for enhancement / new functionality Example: Generally, a cosmetic Error or an Error which does not degrade Customer's use of the product or system.	During regular business-hours Itron will respond to Customer regarding Service Request within three (3) business days.	Itron GSS Management Team will make commercially reasonable efforts during normal business hours to understand the Service Request and provide applicable recommendations as to when a Fix may be schedule in a future release, or how to proceed with a formal enhancement request to Itron's product and delivery teams.	

* Severity Level 1 and Severity Level 2 must be reported by phone to insure they are addressed under the appropriate severity level response process. Service Requests entered by email or Web access are generally addressed as a Severity Level 3.

** Service Request opened on Non-production servers / environments are entered as a Severity Level 3.

[End]

DRAFT



EXHIBIT B

ATTACHMENT SCHEDULE

- Budgetary_Year One
- Statement of Work
- Energy Forecasting Group (EFG) Membership Agreement

DRAFT

00052700.0

BUDGETARY

DRAFT

00052700.0

Itron

Electric / Gas / Water
Information collection, analysis and application

2111 N. Molter Rd.
Liberty Lake, WA 99019
fax: 866-787-6910
www.itron.com

BUDGETARY

Pricing Summary for

Silicon Valley Clean Energy

BMR# 27021-23 Ver2 Sep
September 27, 2023

Item	Part Number	Description	Qty	Unit Price	Extended Price	Notes
Professional Services						
1	3000-00408	Long-Term Forecast				
		Professional Services Total				
Travel and Expenses						
2		Estimated Travel and Expenses				
		Travel and Expenses Total				
Membership						
3	3000-00386	Energy Forecasting Group Membership – Residential Sector				
		Membership Total				
License & Maintenance						
4	3000-00854	MetrixND Standard Edition Annual Term License & Maintenance				
5	3000-00856	MetrixLT Annual Term License & Maintenance				
		License & Maintenance Total				
		Total			**$137,845.85**	

ITRON CONFIDENTIAL

Notes and Assumptions

(1) For MetrixND & MetrixLT:

Continued use of the product requires payment of the annual license fee. Annual license fee includes Itron standard maintenance services. Support/maintenance beyond what is covered is available through a separate support SOW.

Pricing does not include implementation services. Modeling and implementation services are not required, but can be quoted and performed under a separate statement of work.

"User Installation" means the installation of the Software, whether on a personal computer or remotely for access via a client computer, for use by a single person or computer.

A User Installation may not be shared or used concurrently on more than one (1) computer.

(2) For EFG

EFG Membership Agreement required

Continued membership requires payment of the annual membership fee.

(3) Recurring Services (SaaS, Maintenance)

Recurring Services - Renewal Prices. Unless otherwise agreed by the parties Itron reserve the right to renew Recurring Services after the first year at the then current price list.

(4) Pricing is based on existing agreements or Itron's standard terms and conditions.

(5) Taxes, duties, and tariffs are not included. Prices are in US dollars. This quote is valid for 60 days.

(6) This pricing is budgetary, non-binding, and for business planning purposes only.



[End]

DRAFT



00052700.0

STATEMENT OF WORK

DRAFT

A. Change Record

Date	Author	Version	Change Reference
8-3-2023	Mark Quan	1.0	Date Created
9-25-2023	Shannon Ashburn	1.1	Incorporated minor edits throughout

B. Introduction

This Statement of Work ("***SOW***") document defines the activities ("***Services***") to be performed by Itron, Inc. ("***Itron***") for Silicon Valley Clean Energy ("***Customer***") for Long-term Forecast ("***Project***"). This SOW is entered into as of this __ day of _____ ("***Effective Date***") and is governed by the terms and conditions of the Master Sales Agreement ("***Agreement***") dated _____ by and between Customer and Itron.

C. Project Scope

By signing this SOW, Customer engages Itron to provide the following Services and Deliverables related to the Project:

Itron will provide Customer with a long-term forecast. Itron will develop the forecast using the following four tasks.

- **Task 1: 15-Year Monthly Baseline Forecast**. Itron will develop the 15-year monthly baseline forecast. The baseline forecasts consist of monthly forecasts for SVCE's six (6) classes, the system total forecast, and system peak forecast.

Itron will develop each class forecast using two models, a customer count and an average use model. The customer count model will be developed using an econometric framework with the following general structure.

$Customers_{Month}$ = f(Economics)

Except for the residential class, the average use models will be econometric models with the following general structure.

Average Use_{Month} = f($Weather_{Month}$, Economics, Price)

For the residential class, Itron will develop the average use model using its Statistically Adjusted End-Use model framework.

The monthly system forecast is calculated by combining the six (6) class sales forecasts and adjusting the result for losses. The system peak model will be developed using an econometric framework with the following general structure.

$Peak_{Month}$ = f(Cool Trends, Heat Trends, Baseload Trends, $Weather_{Month}$)

The deliverables for this task are listed below.

- All model development files including MetrixND, MetrixLT, and Excel files.
- 15-year monthly forecast for each class, the system, and system peak.
- PowerPoint slides that document the model and forecast results.

- **Task 2: 15-Year Incremental PV and EV Forecasts**. Itron will develop long-term hourly forecasts of incremental electric vehicles (EV) and behind-the-meter photovoltaic (PV) systems.

Itron will develop the long-term EV monthly sales forecast using a framework in Excel based on a statistical model, expert opinion, or leveraging a third-party forecast. Itron will develop the forecasting framework so that Customer can input an alternate long-term EV forecast. Itron will convert the long-term monthly sales forecast to an hourly forecast by scaling the hourly EV charging profile to the monthly sales forecast.

Itron will develop the long-term monthly PV generation forecast using a framework in Excel based on a statistical model, expert opinion, or leveraging a third-party forecast. Itron will develop the forecasting framework so that Customer can input an alternate long-term PV forecast. Itron will convert the long-term monthly generation forecast to an hourly forecast by scaling an hourly PV generation profile to the monthly generation forecast. Itron will develop the PV generation profile based on existing Customer hourly data or third-party data sources.

The deliverables for this task are listed below.

- All model development files including MetrixND, MetrixLT, and Excel files.
- 15-year hourly forecast for incremental EV sales and PV generation.
- PowerPoint slides that document the model and forecast results

- **Task 3: 15-Year Hourly Forecast**. Itron will develop the final hourly forecast by transforming the monthly class and system peak forecasts (developed in Task 1) into an hourly system forecast and then adjusting the hourly system forecast for EV and PV impacts (developed in Task 2). Itron will use three steps to develop the Task 3 forecast.

Step 1: Hourly Shape Models. Itron will develop the hourly shape models for Customer's six classes and the system total in a regression model framework. Hourly models generally use the structure shown below.

$Load_{hour}$ = f($Weather_{day}$, Day of Week, Month, Holidays)

Step 2: Calibrate Class Forecasts. Itron will apply the hourly shape models to the monthly sales forecasts and monthly system and peak forecasts (developed in Task 1) to develop hourly forecasts for each class and the system.

Step 3: Adjust for EV and PV. Itron will adjust the Step 2 forecast for the hourly EV and PV forecasts (developed in Task 2). The adjustment will be performed at the class and system level to ensure that the sum of the hourly class forecast sums to the hourly system total.

The deliverables for this task are listed below.

- All model development files including MetrixND, MetrixLT, and Excel files.
- 15-year hourly system and class forecasts
- PowerPoint slides that document the model and forecast results

- **Task 4: Knowledge Transfer**. Itron will provide three days of on-site training (6 hours per day) to transfer the forecasting project knowledge to the Customer's forecasting staff. The training will include the following topics.

MetrixND: The MetrixND training will cover using the MetrixND software, managing data, developing monthly models, and developing hourly regression models.

MetrixLT: The MetrixLT training will cover using the MetrixLT software, managing data, rank and average weather development, and calibrating the hourly shape forecasts to the monthly energy forecasts.

Project: The Project training will cover the final forecasting framework implementation. The forecasting framework will include the monthly sales and peak models, the hourly shape models, the EV forecasting framework, the PV forecasting framework, and the calibration implementation.

The deliverables for this task are listed below.

- Three days of on-site training
- Forecasting Framework Documentation

C.1. Project Schedule

The following table shows the Project tasks and the estimated start and completion dates for the SOW. Project Schedule dates will be adjusted based on the actual start date but are always dependent on full availability from Customer resources. Itron estimates that the Project will be completed in approximately 3 months after the start date.

Item	Service	Est Hours	Est Start	Est End
1	Task 1: 15-Year Monthly Baseline Forecast	168	12/1/23	1/15/24
2	Task 2: 15-Year Incremental EV and PV Forecast	96	12/1/223	1/15/24
3	Task 3: 15-Year Hourly Base Forecast	108	1/15/24	2/15/24
4	Task 4: Knowledge Transfer	72	2/15/24	2/28/24
Total Hours		**444**		

C.2. Assumptions

This section provides the key assumptions for the Project.

1. Customer will furnish all facilities and related services at Customer's site that are required by Itron personnel engaged to perform the Services under this SOW.
2. Customer will appoint a technically qualified Project Manager who will be the key point of contact for Itron related to the Services provided under this SOW.
3. Customer will provide the following data.

At least 5 years (preferably 10 years) of historical monthly sales data for each class.
At least 5 years (preferably 10 years) of historical monthly customer count data for each class.
At least 5 years (preferably 10 years) of historical monthly revenue or price data for each class.
At least 10 years of historical daily weather.
Aat least 5 years (preferably 10 years) of historical hourly system load data.
At least 5 years (preferably 10 years) of historical hourly class (e.g., residential, commercial) load data.
An estimate of the number of EVs existing in its service territory.
An estimate of the installed capacity of behind-the-meter solar installations in its service territory.
An economic forecast (e.g., population, employment, income).
If possible, any information about the saturation of end-use technology adoption by the residential class

4. Customer will license MetrixND and MetrixLT software and join the Energy Forecasting Group for a one-year minimum term.

DRAFT

D. Service Fees & Related Details

Total fees for the Project are calculated to be $[redacted] (USD) on a fixed fee basis.

These fees are based upon Itron's recommended engagement approach, staffing levels, scope of the Project and Project Schedules as outlined in this SOW. Modifications to any of these factors will result in changes to the estimated fees. Any changes that affect Itron's engagement approach, staffing levels, scope of the Project and Project Schedules will follow the Change Control Process described in this SOW. For the purposes of expediency, both parties agree that pricing changes not exceeding 10% of the amount quoted above will not require a change order provided that both parties verify in written form (such as email) that they agree with the additional charges.

Itron will invoice Customer at the end of the Project for Services performed and for costs incurred. If at any point, there is reason to believe that this amount will be exceeded; Itron will immediately notify Customer as to the changes in the estimate and issue a Change Order, which will be approved by Customer. Customer shall pay all taxes, if any, due for Services provided by Itron to Customer under this SOW.

Travel and related expenses are not included in the cost estimates. Actual, reasonable travel and related expenses will be billed directly to Customer on a monthly basis. The total amount will not exceed $[redacted] (USD). Note: Itron commits to minimizing its expenses wherever possible by taking advantage of advance purchase discounts and corporate travel arrangements.

E. Change Control Process

An Itron Change Order Form ("***Change Order***") will be used for communicating changes to this SOW. The Change Order must describe the change requested, the rationale for the change, the estimated price and the effect the change will have on the overall Project. All Change Orders must be approved and signed by Customer and Itron.

DRAFT

F. Contact and Billing Information

Requested	Customer Data
Contact Name	
Contact Phone # (s)	
Contact Email Address	
Physical Location Address (if applicable)	
Billing Address (if different from above)	
Special Billing Requirements?	
Purchase Order #	

G. Statement of Work Agreement Approval

Customer and Itron agree to the terms of this SOW and by signing below, Customer authorizes Itron to perform the Services detailed herein.

Customer	Itron, Inc.
Authorized Signature	**Authorized Signature**
Printed Name	**Printed Name**
Title	**Title**
Date	**Date**

Statement of Work Identifier: Long-Term Forecast
Silicon Valley Clean Energy
SOW Author: Mark Quan
Date Created: 9/25/2023
Version: 1.1

Please e-mail or fax a PDF file of the signed SOW to shannon.ashburn@itron.com. A fully executed copy will be returned to you electronically in PDF format by e-mail.

DRAFT

[End]

DRAFT

00052700.0

ENERGY FORECASTING GROUP MEMBERSHIP AGREEMENT

DRAFT

00052700.0

Energy Forecasting Group (EFG)

Membership Agreement

This Membership Agreement (the "***Agreement***") is between Itron Inc. ("***Itron***") and SiliconValley Clean Energy ("***Customer***"). Customer is requesting annual membership in Itron's Energy Forecasting Group.

Membership Overview

Itron offers end-use data and forecasting support services through membership in its Energy Forecasting Group (EFG). EFG data, models, and support services provide members with a means to develop forecast models that capture the impact of changing end-use ownership and efficiency trends on energy and demand. Membership is segmented into three sectors: residential, commercial and industrial. Customer can choose to join one, two or all three.

Features & Benefits

Members provide the direction of the group, which continues to evolve over time. Currently, Itron provides support services and the following data to EFG members:

Statistically Adjusted End-use (SAE) Models

The SAE method embodies the integration of end-use concepts and trends into a monthly econometric forecasting framework. Residential and commercial electric and gas SAE models are available to EFG Customers. In addition, EFG Customers have access to a set of residential electric end-use analysis spreadsheets that can be used to assess the impact of changes in technology market share on end-use efficiency; this includes residential lighting.

Other Benefits

- Receive periodic memos on timely subjects such as appliance standards, emission standards, and regional pricing.
- Annual summary on regional end-use energy trends and factors driving these trends.
- Limited support with SAE modeling issues.
- SAE spreadsheets for the EIA *Extended Poliices Case* (when EIA forecast is available).
- Receive annual energy survey report and other industry surveys conducted by Itron.
- Provide input on future research and membership deliverables.

Annual Meeting

Itron coordinates an annual meeting that includes long-term forecasting and end-use topic discussions. Members attend this meeting at a reduced registration fee.

DRAFT



Residential EFG Group

- Annual updates to the electric and gas versions of the basic SAE spreadsheet and associated MetrixND files for the nine census divisions.
- Periodic updates to the Separate Electric End-Use Analysis Spreadsheets which include:
    - Central Air Conditioners
    - Room Air Conditioners
    - Gas Space Heating
    - Refrigerators
    - Freezers
    - Electric Water Heating
    - Gas Water Heating
    - Dryers
    - Dishwashers
- Limited technical support of EPRI's REEPS Model
- Updates to the Extended Policies Case

Commercial EFG Group

- Annual updates to the electric and gas versions of the basic SAE spreadsheet and associated MetrixND files for the nine census divisions.
- Limited technical support of EPRI's COMMEND Model
- Updates to the Extended Policies Case

Industrial EFG Group

- Annual updates to the electric version of the basic SAE spreadsheet and associated MetrixND project file on the national level.
- Limited technical support of EPRI's INFORM Model

DRAFT

00052700.0

Membership Terms and Fees

Customer is joining the following EFG membership sectors:

__X_____Residential Sector, $[redacted] per year
_____Commercial Sector, $[redacted] per year
_____Industrial Sector, $[redacted] per year

Customer will be invoiced $[redacted] for the one (1) year membership term beginning December 1, 2023. Thereafter, this Agreement automatically renews for successive one (1) year terms unless Customer provides written notice to Itron of its intent not to renew the Agreement at least thirty (30) days prior to the expiration of the then-current term. Itron reserves the right to increase the Membership Fee annually. Should the membership fee increase during the term of the Agreement, Itron will provide Customer thirty (30) days written notice prior to the increase. There are no refunds of memberships fees already paid. All invoices are due net 30.

Customer	**Itron Inc.**
_____	_____
Authorized Signature	Authorized Signature
_____	_____
Printed Name	Printed Name
_____	_____
Title	Title
_____	_____
Date	Date

Please fax or email a pdf file of the signed form to the contact person below.

Shannon Ashburn,
Itron, Inc.
858-724-2690 (fax)
shannon.ashburn@itron.com

DRAFT

00052700.0

Terms and Conditions

Confidentiality. With respect to any information supplied in connection with this Agreement and designated by either Party as confidential, or which the recipient should reasonably believe to be confidential based on its subject matter or the circumstances, the recipient agrees to protect the confidential information in a reasonable and appropriate manner, and to use and reproduce the confidential information only as necessary to realize the benefits of or perform its obligations under this Agreement and for no other purpose. The obligations in this section will not apply to information that is: (i) publicly known; (ii) already known to the recipient; (iii) lawfully disclosed by a third party; (iv) independently developed; or (v) disclosed pursuant to a legal requirement or order. The recipient may disclose the confidential information on a need-to-know basis to its contractor's, agents and affiliates who agree to confidentiality and non-use terms that are substantially similar to these terms.

Warranty Disclaimer. THE SERVICES AND DATA PROVIDED BY ITRON TO CUSTOMER IS "AS IS." ITRON MAKES NO WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED, REGARDING THE INFORMATION AND DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, CONDITIONS OR REPRESENTATIONS INCLUDING, WITHOUT LIMITATION, (I) IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (II) WARRANTIES OF TITLE AND AGAINST INFRINGEMENT AND (III) WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR TRADE PRACTICE.

Non Assignment. Customer may not assign or transfer its interests, rights or obligations under this Agreement by written agreement, merger, consolidation, operation of law or otherwise without the prior written consent of an authorized executive officer of Itron. Any attempt to assign this Agreement by Customer shall be null and void. For purposes of this Agreement, the acquisition of an equity interest in Customer of greater than 25 percent by any third party shall be considered an assignment.

Force Majeure. Neither Party will be responsible for any failure or delay in performing any obligation hereunder, other than Customer's obligation to pay, if such failure or delay is due to a cause beyond the Party's reasonable control, including, but not limited to acts of God, flood, fire, volcano, war, third-party suppliers, labor disputes or governmental acts.

WAIVER OF CONSEQUENTIAL DAMAGES. IN NO EVENT WILL ITRON BE LIABLE UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR COVER OR FOR INCIDENTAL, SPECIAL, CONSEQUENTIAL (INCLUDING LOSS OR CORRUPTION OF DATA OR LOSS OF REVENUE, SAVINGS OR PROFITS) OR EXEMPLARY DAMAGES, EVEN IF ITRON HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ITRON'S PRICING REFLECTS THIS ALLOCATION OF RISKS AND LIMITATION OF LIABILITY.

CAP ON LIABILITY. THE AGGREGATE LIABILITY OF ITRON AND ITS AFFILIATES AND ITS AND THEIR OFFICERS, DIRECTORS, EMPLOYEES OR OTHER REPRESENTATIVES, ARISING IN ANY WAY IN CONNECTION WITH THIS AGREEMENT—WHETHER UNDER CONTRACT LAW, TORT LAW, WARRANTY OR OTHERWISE—SHALL NOT EXCEED FIFTY PERCENT (50%) OF THE AMOUNTS PAID BY CUSTOMER TO ITRON UNDER THIS AGREEMENT. ITRON SHALL NOT BE LIABLE FOR ANY CLAIM MADE THE SUBJECT OF A LEGAL PROCEEDING MORE THAN TWO (2) YEARS AFTER THE CAUSE OF ACTION ASSERTED IN SUCH CLAIM AROSE. ITRON'S PRICING REFLECTS THIS ALLOCATION OF RISKS AND LIMITATION OF LIABILITY.

Applicable Laws: This Agreement sets out the entire agreement between the parties relative to its subject matter and supersedes all prior or contemporaneous agreements or representations, oral or written. Execution of a facsimile or electronic copy of this Agreement shall have the same force and effect as execution of an original. This Agreement and performance hereunder will be governed by and construed in accordance with the laws of the State of Washington without reference to Washington conflicts of law principles.

DRAFT

00052700.0

Software Shipment and Billing Information

Email Data to:	Contact Name:	_____
	Phone Number:	_____
	Email Address:	_____
Send Invoices to:	Contact Name:	_____
	Address:	_____
	City / State / Zip:	_____
	Phone Number:	_____
	PO# (if applicable):	_____

DRAFT

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1f

Item 1f:	**Audit Committee Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Bryan Mekechuk, Audit Committee Chair
Date:	10/11/2023

All five members of the Audit Committee (Committee) met September 19, 2023 – Chair Bryan Mekechuk, Vice Chair Sheila Mohan (participated remotely), Alternate Director Murali Srinivasan, Alternate Director Sergio Lopez, and Committee member Harjot Sangha. The purpose of the meeting was to kick off the annual external financial audit and to receive an update on the IT/Cybersecurity assessment.

SVCE's financial year end is September 30 and Maher Accountancy provides transaction processing and prepares financial information and financial statements on behalf of SVCE.

Amrit Singh, CFO and Director of Administrative Services, introduced the external financial auditors from Pisenti & Brinker, LLP Kellin Gilbert and Aliandra Schaffer. Mr. Gilbert, Audit Partner, provided a presentation to the Committee on the upcoming audit for the year ended September 30, 2023, which included a review of the timeline, roles and responsibilities, communications with the Committee, risk assessment, and planned audit procedures.

The Audit Committee is independent of management and allows open communications for the auditors and of management. This pre-year end meeting established that communication channel to start the audit process.

The Committee was introduced to Mike Maher of Maher Accountancy and the Committee asked questions about Pisenti & Brinker and Maher Accountancy's respective roles. Mr. Gilbert noted the financial audit would begin in mid-November, with the draft financial statements available in early January 2024.

Nik Zanotto, Senior Manager of IT and Administrative Services, provided an update on IT/cybersecurity with information on SVCE's cyber posture maturity, SVCE's technology audits/assessments, and staff training efforts.

Materials from this meeting can be found at the following link: SVCE Audit Committee Meeting, 9/19/23.

The next Audit Committee meeting will be scheduled based on Committee member availability, likely in February 2024, to receive the financial statements and audit findings.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1g

Item 1g:	**Finance and Administration Committee Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Sally Meadows, Finance and Administration Committee Vice Chair
Date:	10/11/2023

The Finance and Administration Committee met October 3, 2023 and received a presentation from staff requesting the committee recommend that the SVCE Board of Directors authorize the CEO to execute agreements with firms providing services to enable SVCE to execute its third Prepay and authorize the CEO to execute the Power Supply Contract with CCCFA and related supporting agreements.

Amrit Singh, CFO and Director of Administrative Services, presented the request to the committee for the following:

- Recommend the Board of Directors authorize the CEO to execute agreements with the firms listed below for the services they will provide to enable SVCE to complete its third energy prepayment transaction:
  - PFM Financial Advisors LLC & PFM Swap Advisors - $155,000
  - Chapman & Cutler (Disclosure/Issuer's Counsel) - $175,000
  - Ballard Spahr (Bond and Tax Counsel) - $250,000
  - Moody's Investor Service Inc (Credit Rating) - $272,500
- Recommend the Board of Directors approve engagement with Morgan Stanley as the Prepay Supplier;
- Recommend the Board of Directors authorize the CEO to execute the Power Supply Contract with the California Community Choice Financing Authority (CCCFA) and execute or approve the related supporting agreements to enable SVCE to enter an approximately 30-year energy prepayment transaction.

With support of the recommendation to pursue this third Power Prepay transaction, it is expected to cover 12 to 20 percent of SVCE's load, depending on the bond offering size. Combined with the first two Prepays, on average, the total load coverage is expected to be around 35 to 45 percent. Engaging in this prepay could bring significant savings to SVCE's power procurement portfolio at minimal risks to SVCE.

The committee voted to support staff's recommendation, which will be brought to the Board of Directors for approval at the October 11, 2023 board meeting.

Materials from this meeting can be found at the following link: SVCE Finance and Administration Committee Meeting, 10/3/23.

The next Finance and Administration Committee meeting will be scheduled based on committee member availability.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1h

Item 1h:	**California Community Power Report**
To:	Silicon Valley Clean Energy Board of Directors
From:	Monica Padilla, Acting CEO
Date:	10/11/2023

Per direction from the SVCE Board on December 9, 2020 for the CEO to provide a report of the ongoing activities of California Community Power (CC Power) after each of its meetings.

There is no report this month as the regularly scheduled meeting on September 20, 2023 was adjourned.

The next meeting of the board will be October 18, 2023 at 1:00 p.m.; meeting materials can be found on the CC Power website: https://cacommunitypower.org/meetings/

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1i

Item 1i**:**	**Additional Committee Reports**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Andrea Pizano, Board Clerk/Executive Assistant
Date:	10/11/2023

There are no reports for the 1) Executive Committee and 2) Legislative Response to Industry Transition 2023 Ad Hoc Committee as they have not met since the last report.

The next meeting of the Executive Committee will be Friday, October 27, 2023, at 10:00 a.m., and the next meeting of the Legislative Response to Industry Transition 2023 Ad Hoc Committee will be scheduled based on member availability in October.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 2

Item 2:	**CEO Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Monica Padilla, Acting CEO
Date:	10/11/2023

REPORT

Staff Updates

Gia Ilole joined SVCE on September 25, 2023 as Director of Human Resources. Gia has an extensive background in human resources with experiences from PG&E, the County of Ventura, BART, and startup companies. Gia will lead all HR activities at SVCE to further promote SVCE's goal of being the Employer of Choice. These activities include talent acquisition and retention, employee well-being and engagement, enhancing HR policies and procedures (including hybrid work), benefits administration and payroll, performance management, employee coaching, development, and training, and helping us continuously develop an inclusive and winning work culture. Gia has a B.A. in Linguistics from the University of California at Santa Barbara.

Personnel Officer Update

We are happy to announce four new promotions:

- Lisa Lai, formerly Administrative Assistant, has been promoted to Administrative Analyst;
- Jessamyn Allen, formerly Senior Programs Specialist, has been promoted to Programs Lead;
- Peyton Parks, formerly Energy Services Lead, has been promoted to Energy Services Principal;
- Andrea Pizano, formerly Board Clerk/Executive Assistant, has been promoted to Senior Executive Assistant and Board Clerk

Offers have been made and accepted for the positions of Power Resources Manager and Regulatory Analyst, with both new hires starting October 16th. SVCE has six positions posted, which can be found on SVCE's website: Current Job Openings

Clean Air Day Proclamation from City of Milpitas

Thank you to Director Chua and the City of Milpitas city council who presented SVCE staff with their Clean Air Day proclamation at their October 3, 2023 Council meeting. Staff were honored to accept the city's proclamation and were pleased to see other SVCE communities adopt similar proclamations at their October meetings.

Electric Showcase Awards

To recognize climate leaders in your communities and showcase that residents and businesses in existing buildings can, and are going electric, SVCE hosted it's second round of Electric Showcase Awards. The first round of Showcase Awards was held in 2019 and focused on fully electric buildings. This year the awards were expanded to capture the variety of journeys that folks can take to going electric in their home or business.

Board Member Yellow Pine Event Invite

As you know the Yellow Pine solar & storage project began delivering us clean electricity in July. We would like to invite you to the ribbon cutting event on Wednesday, November 1 at the project site located in Clarks County, Nevada. A handful of staff will be attending the event along with staff from Central Coast Community Energy - the other offtaker - and the Developer NextEra Energy Resources. We have sent out saves the dates with the event details, but please reach out to us if you have any questions.

Decarbonization Demonstration Grant Spotlight
Sunnyvale School District was awarded $500,000 through the SVCE Decarbonization Demonstration Grant to replace existing gas furnaces with electric heat pumps at Vargas Elementary School. Four gas furnaces and twelve associated condensing units were removed and replaced with twelve heat pumps. The gas infrastructure associated with the furnaces was removed and replaced with new conduit runs, circuitry rewiring, and final connections to the heat pumps. Educational signage is displayed next to the heat pumps to teach students, parents, and teachers about the benefits of heat pump technology. The old furnaces were releasing over 6 tons of CO2 per year and over 18 pounds of nitrous oxide annually. SVCE's grant funds allowed the School District to save on costs, reduce the dependency on gas, and improve classroom air quality.

SVCE distributed $3.6M to ten awardees through the Decarbonization Demonstration and Engagement Grant. The grant aims to demonstrate the practicality and feasibility of upgrading buildings with electric appliances and technologies to reduce pollution and improve health. Projects must be accessible to the community and feature educational materials like signages, pamphlets, or site tours. More projects coming soon.

New Programs Update Format
In August, staff presented a new look to the Decarbonization Programs Quarterly Report. The latest quarterly report covering Quarter 4 has been included on the Consent Calendar for the Board's review.

In lieu of including monthly program reports as we've done in the past, staff will be attaching the most recent quarterly programs report to the CEO Report for easy program reference; new quarterly updates will be included on the Consent Calendar.

Please reach out to our Decarbonization Programs and Policy team for any questions or for more programs information.

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

1) MMA, Agreement: Health Benefits Consulting Services, not to exceed $30,000, 10/1/23 – 9/30/24
2) HBT Energy, Agreement: Power Resources Management Services, not to exceed $100,000, 10/1/23 – 9/30/24
3) RWG, Agreement: Legal Services, not to exceed $215,000, 10/1/23 – 9/30/24
4) Maher Accountancy, Agreement: Accounting Services, not to exceed $293,500, 10/1/23 – 9/30/24
5) Gridwell Consulting, Amendment: CAISO Technical Support and Integration of Electric Resource Services, extends date to 12/31/24
6) Joint Venture Silicon Valley, Agreement: Convening Support for Silicon Valley Transportation Electrification Clearinghouse and Regional Electric Vehicle Leadership Recognition Programs Services, not to exceed $100,000, 10/1/23 – 9/30/25
7) Cascade Energy, Agreement: Decarbonization Consulting, not to exceed $50,000, not to exceed 11/6/23 – 3/31/24
8) Nixon Peabody, Agreement: Intellectual Property Legal Services, not to exceed $15,000, 9/25/23 – 12/31/24

SILICON VALLEY CLEAN ENERGY

CEO Power Supply Agreements Executed

Counterparty Name	Execution/Effective Date	Transaction Type	Product	Start Date	End Date	Notional Value
Elk Hills Power	8/29/2023	Purchase	Resource Adequacy	1/1/2024	12/31/2024	$631,250
Chevron	9/11/2023	Purchase	Resource Adequacy	1/1/2024	11/30/2024	$937,500
NextEra	8/25/2023	Purchase	Hedge Energy	1/1/2024	3/31/2024	$10,556,988
NextEra	8/25/2023	Purchase	Hedge Energy	10/1/2023	12/31/2023	$3,677,985
TransAlta	8/29/2023	Purchase	Hedge Energy	7/1/2024	9/30/2024	$14,520,870
PG&E	9/18/2023	Purchase	Resource Adequacy	1/1/2024	4/30/2024	$1,837,500
East Bay Community Energy	9/26/2023	Purchase	Resource Adequacy	3/1/2024	3/31/2024	$112,500
East Bay Community Energy	9/26/2023	Purchase	Resource Adequacy	1/1/2024	11/30/2024	$2,263,400
East Bay Community Energy	9/26/2023	Sale	Resource Adequacy	1/1/2024	11/30/2024	$2,117,000
Central Coast Community Energy	9/26/2023	Purchase	Resource Adequacy	9/1/2024	9/30/2024	$1,500,150

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

SILICON VALLEY CLEAN ENERGY

Presentations & Relevant Meetings Attended by CEO

- Participated in CalCCA Monthly board, executive, and legislative meetings
- Attended CalCCA Board Retreat, September 26 & 27, 2023

External Presentations from Staff

- 9/19/23, COO Monica Padilla, Independent Energy Producer Association panel speaker, "Building Out the Future – CCA Procurement Plans"
- 9/12/23, Dir. of Energy Services and Community Relations Adam Selvin, opening remarks at Silicon Valley Business Journal's annual Business of Climate and Sustainability event

ATTACHMENTS

1. Electric Showcase Awards
2. Clean Power Update, October 2023
3. Energy Services & Community Relations Update, October 2023
4. Regulatory and Legislative Update, October 2023
5. Agenda Look Ahead, October 2023 – February 2024



2023 Electric Showcase Awards (ESA)

Michaela Pippin,
Principal Communications Specialist

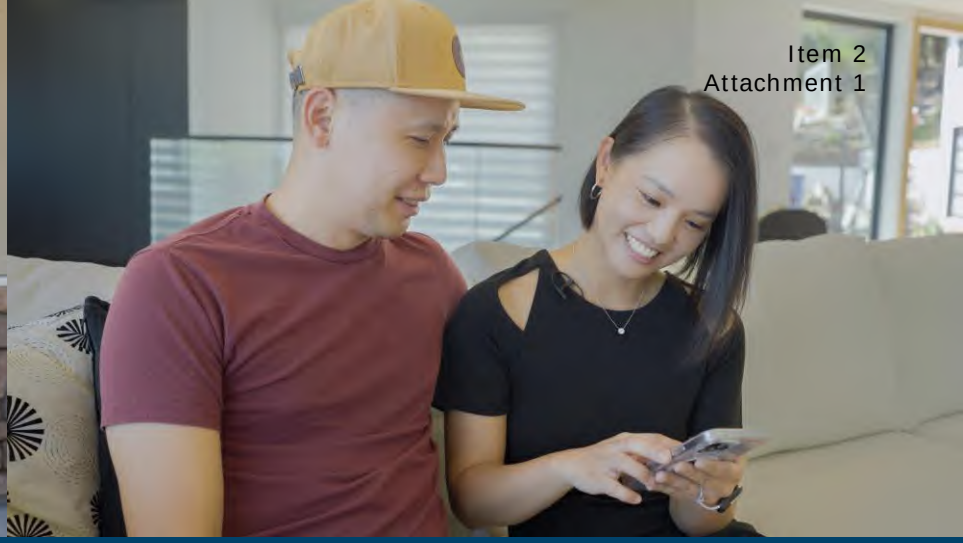
SILICON VALLEY CLEAN ENERGY

Purpose

Provide an update on the 2023 Electric Showcase Award winners and their stories.

- Applications & winners
- Story promotion
  - Current & ongoing
- Electric Home Tours





2023 Electric Showcase Awards





Program Objectives

Highlight existing building electrification success stories and the variety of paths to getting there.

- ✓ 16 mini case studies
- ✓ Multiple opportunities to share winner stories
- ✓ In-person Electric Home Tours

"I was blown away by the simplicity and energy efficiency of the heat pump. The rebates from SVCE made this a no brainer."
– Amit, Cupertino

"Our experience of going electric has been very smooth. And I have an opportunity to make a difference by using solar and wind powered electricity rather than natural gas."
- Stephen, Unincorporated County

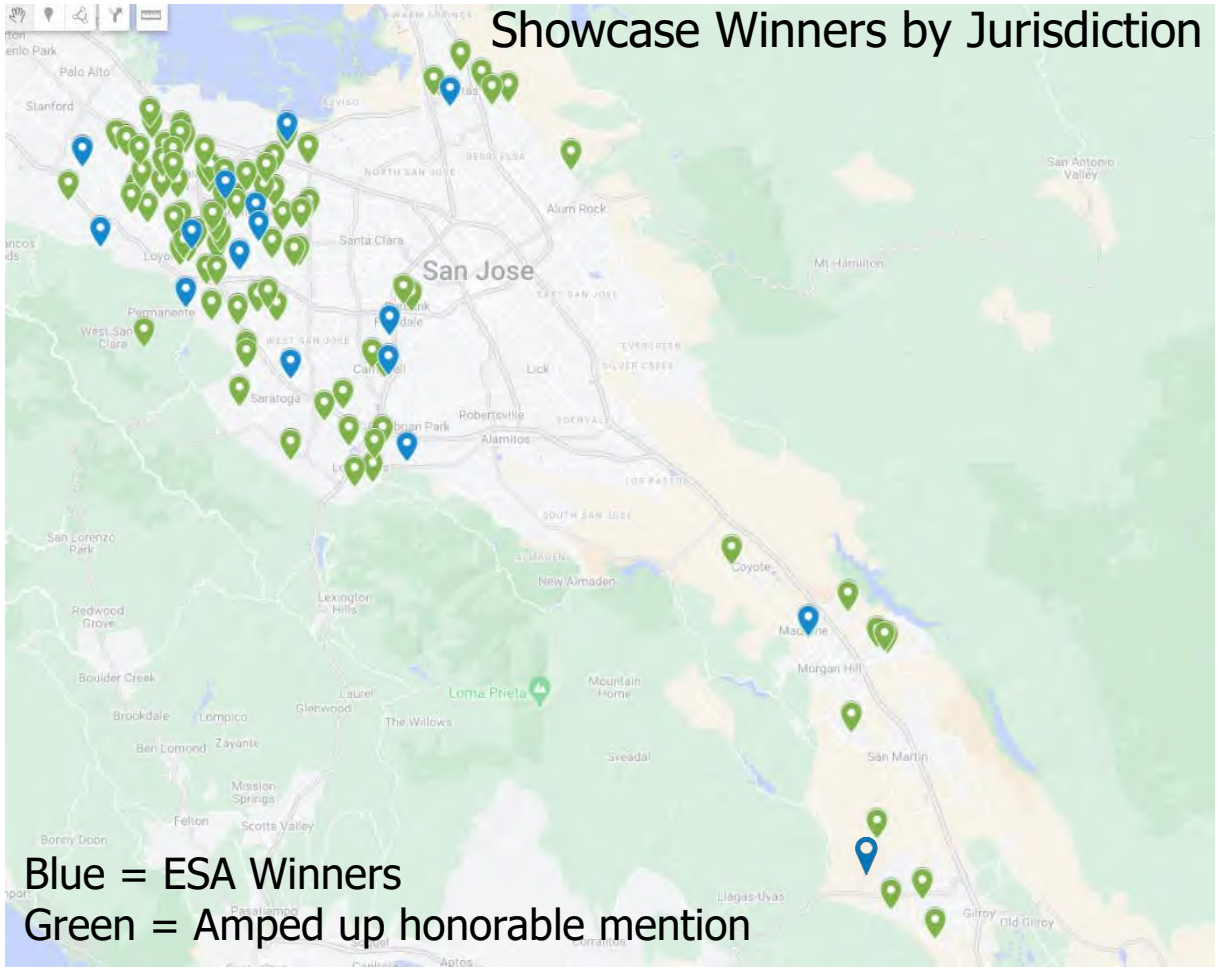
Application Overview

Application period: February - March

30
Incomplete or invalid applications

109
Amped-Up Honorable Mentions

16
2023 Electric Showcase Award Winners



Winners & Awards

Winner Summary

Property Type	Winner	City
	Just Getting Started	
SF Home	Scott Holzer	Sunnyvale
SF home	Stephen Ode	Campbell
SF home	Judy Wang	Campbell
Com	Congregation Beth Am	Los Alto Hills
	On the Way	
SF home	Amit Butala	Cupertino
MF home	Brede Kolsrud	Sunnyvale
SF home	Kristel Wickham	Sunnyvale
SF home	Alexander Mohr	Morgan Hill
MF	Sunshine Gardens Apartments	Mountain View
	All Electric	
Duplex	William Gale and Lakshmi Kasinathan	Sunnyvale
SF home	Judy Lu	Los Altos Hills
SF home	Tom Tweddell	Los Altos
SF home	Justin Liu	Los Gatos
SF home	Carol Carrillo	Saratoga
SF home	Curt Cotner	Gilroy
Com	Seema Beauty Salon	Milpitas

SF = single family MF = Multi family

$95,000 in Awards





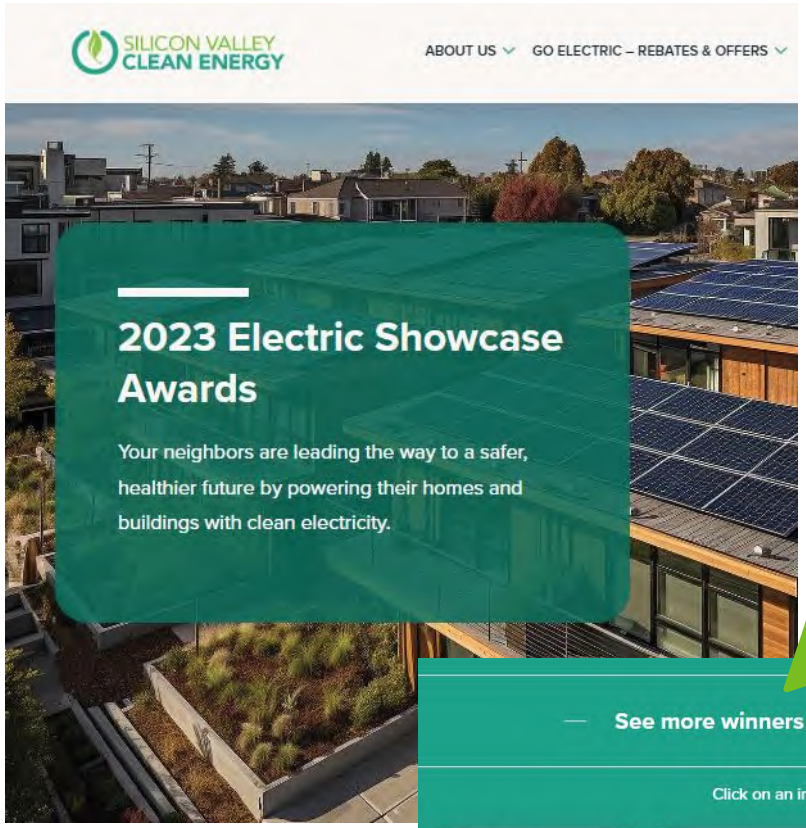


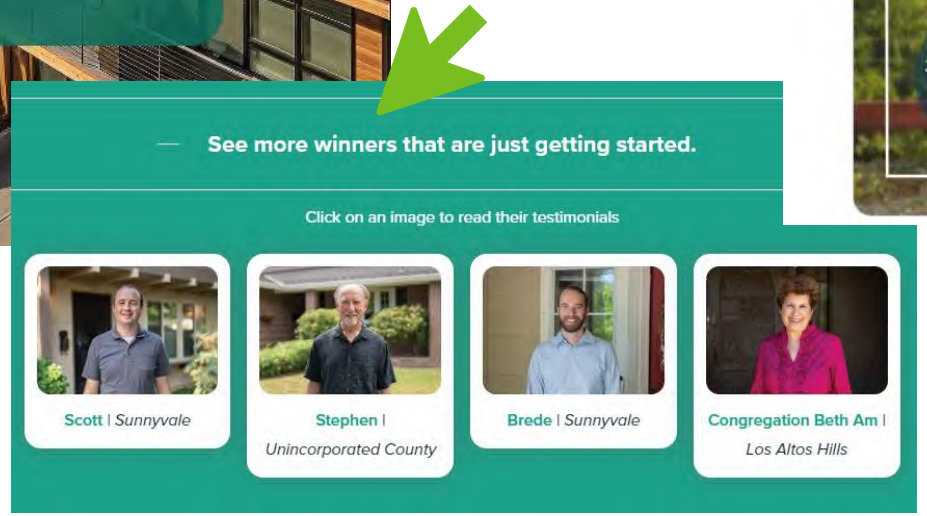
Elevating Their Stories

The winners represent a diverse range of paths that can be taken to going electric.

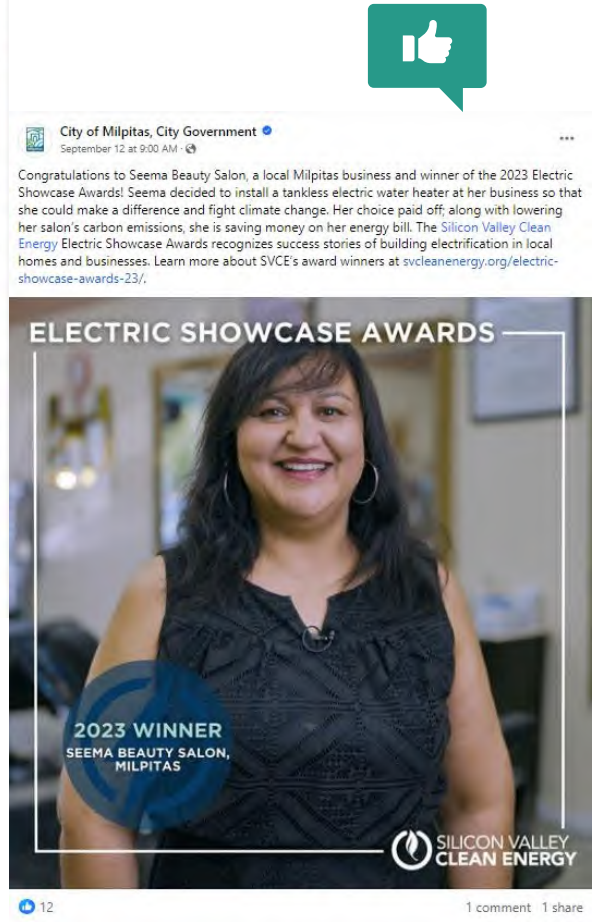


Website & Social Media Campaign









www.svcleanenergy.org/electric-showcase-awards-23

Recognition in Your Community


Los Altos


Santa Clara County


Milpitas


Gilroy


Morgan Hill


Saratoga


Los Altos Hills


Campbell


Sunnyvale

Electric Home Tours

Saturday, October 14

10 a.m. – 4 p.m.

- ✓ 40+ homes participating through Santa Clara and San Mateo Counties
- ✓ Over 500 residents registered to tour





SILICON VALLEY CLEAN ENERGY

Invites You To The

Electric Home Tour
ELECTRIFY TODAY!

https://www.electrichometour.org/

Questions?

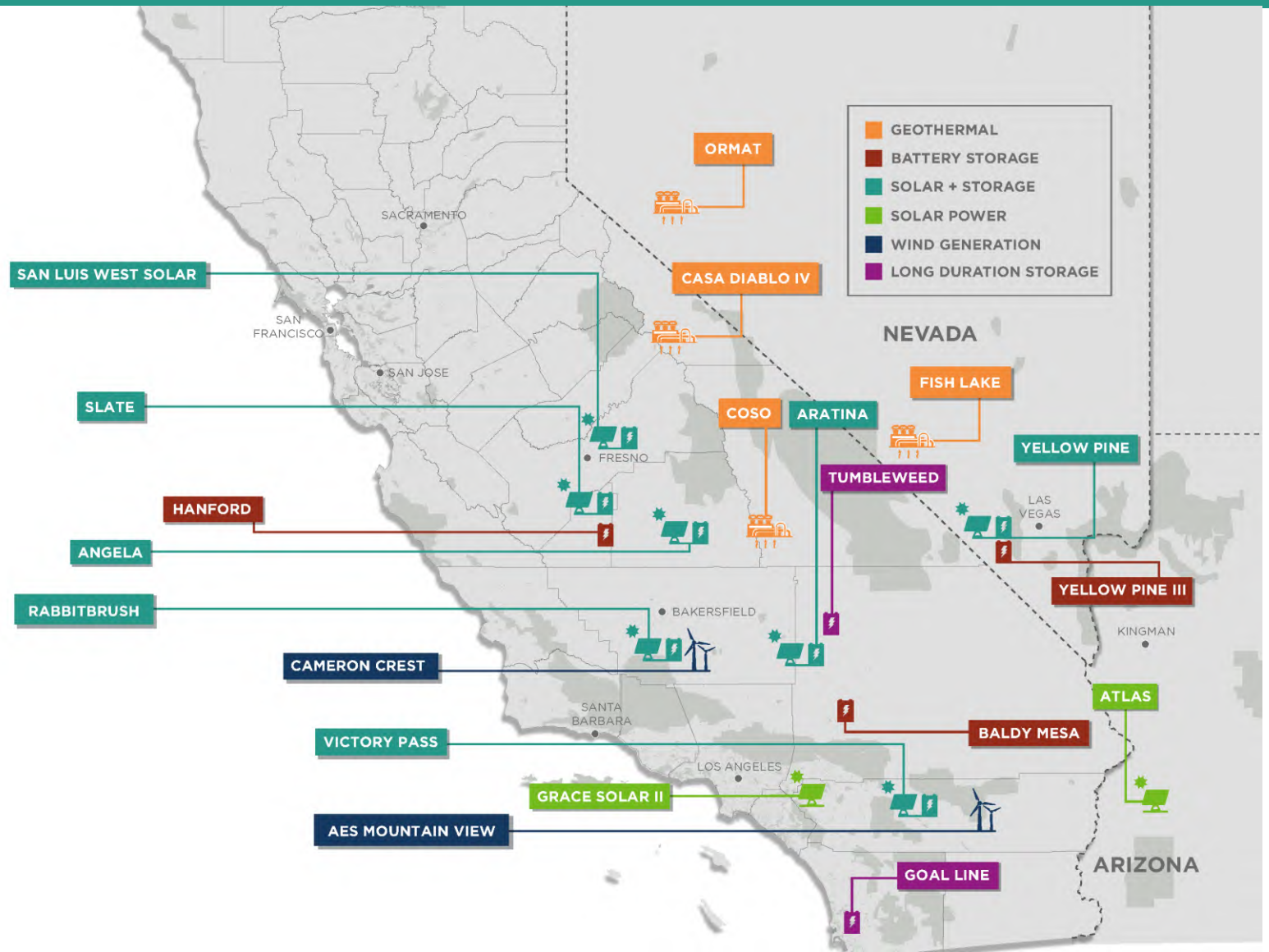


CEO Report
Clean Power Update

SVCE Board Meeting
October 11, 2023

SILICON VALLEY CLEAN ENERGY

Clean Long-term Power Agreements



- $3.2B+ in commitments
- 20 PPAs signed
  - 17 new build projects
- 796 MW of Renewable Power
- 1,845 MWh of Battery Storage

7 Projects now delivering to SVCE meeting ~33% of energy needs:

- COSO geothermal - January 2022
- Slate Solar + Storage – January 2022
- Casa Diablo geothermal – September 2022
- Mountain View wind – July 2022
- Rabbitbrush Solar + Storage – October 2022
- Terra-Gen Wind – January 2023
- Yellow Pine Solar + Storage – July 2023

SVCE Long-Term Clean Energy

	Seller	Project Name	Technology	Generation MW	Storage MWh	Approximate % of Annual load in 2028	Term (years)	Lifetime Not to Exceed Authority (MM$)	SVCE Board Approval	Status
1	MN8	Slate	Solar + Storage	93	186	6.60%	17	$198	Oct-18	Online
2	Ormat	Casa Diablo	Geothermal	7		1.40%	10	$43	Feb-20	Online
3	Atlantica	Coso	Geothermal	43.8		6.50%	15	$331	Mar-20	Online
4	Leeward	Rabbitbrush	Solar + Storage	40	20	3.00%	15	$64	Apr-20	Online
5	NextEra	Yellow Pine	Solar + Storage	50	104	4.00%	20	$128	May-20	Online
6	Avantus	Aratina	Solar + Storage	80	60	6.60%	20	$174	Jun-20	Pre-construction
7	174 Power Global	Atlas	Solar	50		3.80%	10	$32	Jan-21	Pre-construction
8	SB Energy	Angela	Solar + Storage	20	40	1.40%	15	$35	Mar-21	Pre-construction
9	AES	Mountain View	Wind	33.3		3%	20	$128	Apr-21	Online
10	Origis	San Luis West	Solar + Storage	62.5	62.5	4%	15	$74	Apr-21	Pre-construction
11	Clearway	Victory Pass	Solar + Storage	100	100	8%	15	$173	May-21	Construction
12	Terra-Gen	Cameron Crest	Wind	77.7		5%	15	$150	May-21	Online
13	Rev Renewables	Tumbleweed	Long Duration Storage		127.5		15	$100	Feb-22	Pre-construction
14	Onward	Goal Line	Long Duration Storage		113.6		15	$100	Mar-22	Pre-construction
15	Ormat	Geothermal Portfolio	Geothermal	16.75		4.40%	20	$256	Jun-22	Pre-construction
16	OME	Fish Lake	Geothermal	1.82		0.40%	20	$30	Jun-22	Pre-construction
17	AES	Baldy Mesa (RA-only)	Storage	0	300		10	$81	Sep-22	Construction
18	MRP	Hanford	Thermal + BESS	99.4	131.4		12	$280	Apr-23	Pre-construction
19	NextEra	Grace	Solar	120		9.00%	15	$286	Aug-23	Pre-construction
20	NextEra	Yellow Pine III	Storage	0	460		15	$420	Aug-23	Pre-construction

Clean Energy Resources Online Progress
as of 9/29/2023

2023 – Q4	• San Luis West Solar + Storage: *Pre-construction – delayed*
2024 – Q1	• Victory Pass Solar + Storage: *Construction mode – delayed* • Angela Solar + Storage: *Pre-construction – delayed*
2024 – Q2	• Fish Lake Geothermal: *Pre-construction* • Baldy Mesa (RA-Only Storage): *Construction mode*
2024 – Q4	• Hanford BESS on Peaker: *Pre-construction*
2025 – Q2	• Goal Line Long Duration Storage: *Pre-construction* • Aratina Solar + Storage: *Pre-construction – delayed*
2025 – Q3+	• Ormat Geothermal Portfolio: *Pre-construction* • Tumbleweed Long Duration Storage: *Pre-construction* • Atlas Solar: *Pre-construction – delayed* • Yellow Pine III Storage: *Pre-construction* • Grace Solar: *Pre-construction*

THANK YOU!



1. Outreach Events & Sponsorships

Date	Sponsorship	Location
10/1/2023	**KCAT Oktoberfest** 12:30 p.m. – 6:30 p.m. *Sponsorship*	Los Gatos Civic Center Lawn 110 E. Main St. Los Gatos, CA 95030
10/7/2023	**Morgan Hill Clean Air Day** 10:00 a.m. – 1:00 p.m. *Tabling*	Magical Bridge Playground 171 W Edmundson Ave Morgan Hill, CA 95037
10/14/2023	**Electric Home Tours** 10:00 a.m. – 4:00 p.m. *Sponsorship and staff attendance*	Foothill College Sunnyvale Center 1070 Innovation Way Sunnyvale, CA 94089 (Meeting place for special SVCE tour)
10/14/2023	**Day on the Bay** 10:00 a.m. – 3:00 p.m. *Sponsorship and tabling*	Alviso Marina 1195 Hope St. Alviso, CA 95002
10/14/2023	**Bay Area Diwali 2023** 11:00 a.m. – 6:00 p.m. *Sponsorship*	Cupertino Memorial Park 21121 Stevens Creek Blvd. Cupertino, CA 95014

1. Outreach Events & Sponsorships

Date	Sponsorship	Location
10/22/2023	**Congregation Beth Am Sustainability Faire** Time TBA *Tabling*	Congregation Beth Am 26790 Arastradero Road Los Altos Hills, CA 94022
10/24/2023 – 10/26/2023	**VERGE: The Climate Tech Event** Time varies *Sponsorship, tabling, and session attendance*	San Jose McEnery Convention Center 150 W San Carlos St San Jose, CA 95113
10/28/2023	**Gilroy La Ofrenda Festival** 1:00 – 7:00 p.m. *Sponsorship and tabling*	Location TBA Downtown Gilroy
11/4/2023	**Wineries of Santa Clara Valley Association Vine to Wine Vine to Wine** 1:00 p.m. – 7:00 p.m. *Sponsorship and tabling*	Mountain Winery 14831 Pierce Road Saratoga, CA 95070

Event Photos

It's been a very busy fall thus far, and our staff have been out in our communities, connecting with customers, as well as industry events. There are still many more events to go throughout October.



Senator Cortese Picnic By the Lake



Morgan Hill All-Electric Fire Station Groundbreaking



Panel at CPUC Supplier Diversity Expo

Silicon Valley Business Journal Events

SVCE sponsored the Business of Climate and Sustainability event on 9/12 and the Structures Awards on 9/28.

Both events allowed for us to network and present in front of private sector startups, and the development and building community.

At the Structures Awards, we presented the sponsored, All-Electric Excellence Award to the City of Los Altos Community Center.



Photo courtesy of the Silicon Valley Business Journal

2. Customer Participation

	Participation Rate	Overall Participation Rate
Residential	96.31%	96.35%
Commercial	96.75%	

SILICON VALLEY CLEAN ENERGY

3. Member Agency Working Group – September Update

The most recent MAWG meeting was held on September 28, 2023, and was attended by 8 different agencies and organizations with a total of 29 participants.

The following agenda items were presented and discussed:

- Capital Improvements Planning Analysis
- Member Agency Services EM&V
- 2022 GHG Inventory Update for SVCE's Service Territory
- Small-Medium-Business (SMB) Rebates Program – Now Available to Muni Buildings!
- Permit Modernization and Policy Experimentation Program Launches
- MAWG Meeting Planning – November & December Schedule

4. FutureFit Homes Digital Campaign

Videos + Digital Ads

Through engaging videos and multilingual banner ads, our FutureFit Homes digital campaign aims to educate customers about the benefits of heat pumps and direct them to our generous home rebates, offering up to $8,000 in savings.











SILICON VALLEY CLEAN ENERGY

5. Summer Appliances Assistant Promotion

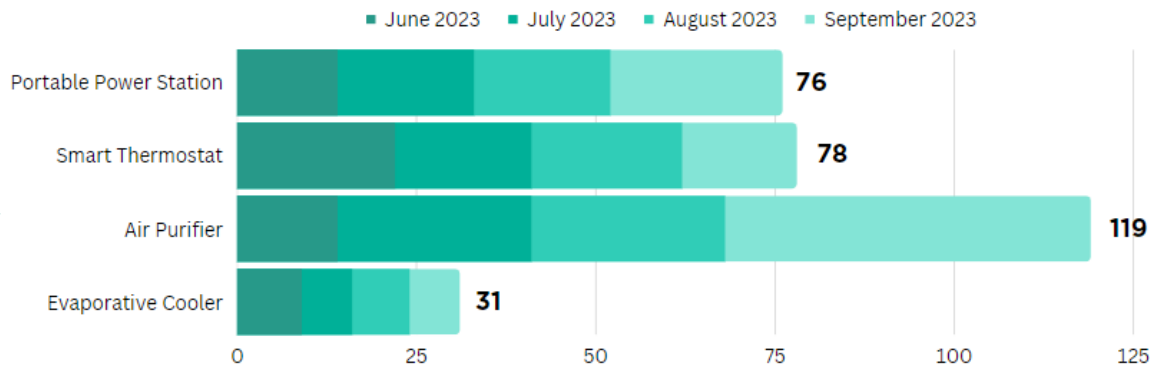


Purpose of Promotion: Encourage customers to learn about electrification and upgrade their appliances to electric.

Promotion Details: Customers can get $50 off a portable power station, smart thermostat, air purifier, and evaporative cooler.

Launched June 21, closes September 30

From June 21 – September 27, there have been 304 rebates claimed!



6. Press Releases & Media

Press

- Bay Area Residents Are Upgrading from Polluting Gas Appliances to Sleek, Safe Electric Technologies, *Press Release, 09-06-23*
- Central Coast Community Energy and Silicon Valley Clean Energy Announce Commissioning of New Large-Scale Solar and Energy Storage Project, *Press Release, 09-13-23*
- Silicon Valley Clean Energy Contracts for New Power Projects, *Press Release, 09-20-23*

Media

- City breaks ground for new Butterfield fire station, *The Morgan Hill Times, 09-13-23*
- California CCAs Announce Commissioning of New Large-Scale Solar and Energy Storage Project, *American Public Power Association, 09-17-23*
- Silicon Valley Clean Energy Enters Solar, Storage Agreements, *American Public Power, 09-21-23*
- Honors, happenings, opportunities, comings and goings — Sept. 2023, *The Jewish News of Northern California, 09-28-23*



SVCE Legislative and Regulatory Update

October 11, 2023

SILICON VALLEY CLEAN ENERGY

Policy Updates

Regulatory Update:

1. Review of CPUC's Net Billing Tariff (NEM 3.0) Decision
2. High DER Proceeding

Legislative Update:

1. SVCE Legislative Positions



Regulatory Update

Key Regulatory Activities

Activity	Purpose	Status
Review of the Net Billing Tariff (NEM 3.0) decision at the First District Court of Appeal	Status of lawsuit over the CPUC's Net Billing Tariff final decision (D. 22-12-056).	The Court of Appeal of the State of California First Appellate District Division Three granted the Center for Biological Diversity, Environmental Working Group, and Protect Our Communities Foundation's petition for writ of review on September 14, 2023, meaning that the First District Court of Appeal has agreed to hear the lawsuit. However, the granting of the petition for writ of review will not affect the current implementation plan for D. 22-12-056. Customers that enroll in PG&E's solar tariff after April 14, 2023, will be enrolled in the Net Billing Tariff adopted in D. 22-12-056. SVCE is monitoring developments in the lawsuit.
High DER Proceeding	Proceeding to modernize the electric grid for a high distributed energy resources future.	A recent ruling required investor-owned utilities to respond to several questions about their distribution planning processes, funding, and execution processes. PG&E's response revealed that PG&E has a significant backlog of distribution capacity projects and around a $1 billion funding shortfall for distribution capacity projects. SVCE, along with a group of other CCAs, filed comments in response to PG&E's filing requesting several clarifications and a workshop to further investigate and discuss potential solutions.



Legislative Update

SVCE Positions

Status of the bills that SVCE has taken positions on

Bill	Summary	Legislative Platform Policy	SVCE Position	Bill Status
AB 625 (Aguiar-Curry)	Extends sunset date of the BioMAT program	Competitive Equity	Support	Died – two-year bill
SB 488 (Alvarado-Gil)	Allows CCAs to participate in the BioRAM program.	Competitive Equity	Support	Died – two-year bill
SB 410 (Becker)	Reporting, timelines, and stakeholder group for distribution-level interconnection.	Clean, Reliable Grid	Support	Governor's Desk
SB 527 (Min)	Requires CPUC to establish a Neighborhood Decarb Program.	Climate Mitigation/Fuel Switching	Support	Died – two-year bill
AB 593 (Haney)	Directs CEC to create a statewide building decarb strategy	Climate Mitigation/Fuel Switching	Support	Died – two-year bill

SVCE Positions

Status of the bills that SVCE has taken positions on

Bill	Summary	Legislative Platform Policy	SVCE Position	Bill Status
AB 1393 (Garcia)	Governor's energy reliability proposal.	Competitive Equity	Neutral	Governor's Desk

Key State Legislative Milestones

- ~~January 4 – Legislature Reconvenes~~
- ~~February 17 – Last day for bills to be introduced~~
- ~~April 28 – Last day for policy committees to vote on fiscal bills~~
- ~~May 5 – Last day for policy committees to vote on non-fiscal bills~~
- ~~May 19 – Last day for fiscal committees to hear bills introduced in that house~~
- ~~June 2 – Last day for each house to pass bills introduced in that house~~
- ~~June 15 – Budget bill must pass by midnight~~
- ~~July 14 – Last day for policy committees to vote on bills~~
- ~~September 1 – Last day for fiscal committees to vote on bills~~
- September 14 – Last day for each house to pass bills
- October 14 – Last day for Governor to sign bills

October 2023	November 2023	December 2023	January 2024	February 2024
Board of Directors, October 11	**Board of Directors, November 8:** Consent: Minutes September 2023 Treasurer Report Committee Reports Program Administration Consultant Agreement Program Application/Portfolio Tool Development Agreement Multifamily Direct Install Program Agreement Data Analytics Support Agreements Scheduling Coordinator Agreement Regular Calendar: 2024 Legislative Policy Platform Annual Customer Survey Results	**Special Meeting: SVCE End-of-the-Year Event, December 13, 4pm** **Board of Directors, December 13:** Consent: Minutes October 2023 Treasurer Report Committee Reports Regular Calendar: Rate Change Board Elections Update	**Board of Directors, January 10:** Consent: Minutes November 2023 Treasurer Report Committee Reports Regular Calendar: Chair and Vice Chair Appointment Executive Committee Membership Selection	**Board of Directors, February 14:** Consent: Minutes December 2023 Treasurer Report Committee Reports Regular Calendar: Committee Selections - 2024 Update to Exhibits C and D of the SVCE JPA SVCE's Load Management Standards Compliance Plan Preview
Executive Committee, October 27: Introduction to SVCE's Load Management Standards Compliance Plan Permit Modernization and Policy Experimentation Update NEM Rates Discussion Deep Decarbonization Strategy Discussion GreenPrime Discussion	**Executive Committee, TBD (will be a combined meeting with Nov./December):** Rate Change Discussion Program Snapshot	**Executive Committee, TBD (will be a combined meeting with Nov./December):** Rate Change Discussion Program Snapshot	**Executive Committee, TBD (tentatively scheduled for Jan. 26):** Appointment of Committee Chair and Vice Chair	**Executive Committee, TBD (tentatively scheduled for Feb. 23):** TBD
Finance & Admin Committee Meeting, Oct. 3, 3pm: Prepay #3 Review/Recommendation				

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 3

Item 3:	**Authorize the Chief Executive Officer to Execute Agreements with Firms Providing Services to Enable SVCE to Execute its Third Prepay and to Execute the Power Supply Contract with the California Community Choice Financing Authority and Related Supporting Agreements**
From:	Monica Padilla, Acting CEO
Prepared by:	Amrit Singh, CFO and Director of Administrative Services
Date:	10/11/2023

RECOMMENDATION

1. Staff requests the Board of Directors adopt Resolution 2023-17 authorizing the CEO to execute agreements with the firms listed below for the services they will provide to enable SVCE to complete its third energy prepayment transaction.

    - PFM Financial Advisors LLC & PFM Swap Advisors - $155,000
    - Chapman & Cutler (Disclosure/Issuer's Counsel) - $175,000
    - Ballard Spahr (Bond and Tax Counsel) - $250,000
    - Moody's Investor Service Inc (Credit Rating) - $272,500

    These payments, except for Moody's Credit Rating fee, will be contingent on executing the Prepay transaction. To avoid the risk of stranding Moody's fees, SVCE will initiate Moody's service later when there is more certainty on successfully executing the transaction. Like the first two Prepay transactions, Morgan Stanley, the Prepay Seller, will split Moody's rating agency fee if the Prepay transaction is not executed by no fault of Morgan Stanley or SVCE.

    Staff requests the Board of Directors approve engagement with Morgan Stanley as the Prepay Supplier with the following fee structure[1]:

    > Bond underwriting fee of $5/bond plus underwriter expenses not to exceed $0.50/bond. The dollar amount of this fee will depend on the total dollar value of the bonds. For example, for the issuance of $1 billion in bonds, with a face value of $1,000 a bond, the underwriting fee would be $5 million.

    The combined fees for services provided by the firms identified above shall not exceed 1% of the bond proceeds amount, including other ancillary services such as green bond verification, bond trustee and counsel fees, an investment advisor fee, and other miscellaneous costs such as printing.

[1] CCCFA will execute a Bond Purchase Agreement with Morgan Stanley at the time of the sale of bonds, which will document these fees and bond pricing results. The other charges (Energy Service Revenue and swap fee) will be implemented later along with other Prepay transactional documents.

2. Staff requests the Board of Directors adopt Resolution 2023-18 authorizing the CEO to execute the Power Supply Contract with the California Community Choice Financing Authority[2] (CCCFA) and execute or approve[3] the related supporting agreements to enable SVCE to enter an approximately 30-year energy prepayment transaction. These contracts and agreements are in substantially negotiated form, and staff requests the Board authorize the CEO to make any minor clarifying modifications necessary that do not change the intent or deteriorate the economics of the transaction.

   The Board's authorization will be subject to the following parameters.

   - The Bonds, issued by CCCFA, will not be guaranteed obligations of SVCE but will be limited obligations of CCCFA payable solely from the revenues and other amounts pledged under the Indenture as the Trust Estate, including amounts owed by SVCE under the Power Supply Contract.
   - The aggregate principal amount of the Bonds shall not exceed $1,500,000,000.
   - The energy savings to SVCE under the Power Supply Contract for the initial Bond Reset Period, including the Annual Refund (defined in the Power Supply Contract), shall be at least 8 percent.[4]
   - The energy Service Revenue fee in the transaction shall not exceed $1.10 per MWh.
   - The commodity swap counterparty fee in the transaction shall not exceed $0.50 MWh.
   - If any floating rate bonds are issued, Morgan Stanley shall charge no more than six basis points on the interest rate swap spread to mid-market.

   The bond proceeds will pay all the transaction costs, and the Board-designated savings target will be net of these costs.

FINANCE AND ADMINISTRATION (F&A) COMMITTEE REVIEW

At its October 3, 2023, meeting, the F&A Committee reviewed the proposed recommendations. The F&A Committee asked clarifying questions regarding the prepay structure and voted unanimously to recommend that the Board approve the staff's requests.

BACKGROUND

SVCE and East Bay Community Energy (EBCE) spent over two years creating the structure of the Power Prepay transaction with Morgan Stanley as the Prepay Bank Supplier (see timeline in Attachment 3). Using the established structure, SVCE successfully executed its first Prepay in September 2021 for a deal on average covering 50 MW or about 11% of SVCE's load. This transaction saves SVCE about 10% of the energy cost of the initial transaction assigned into the Prepay, about $1.9 million per year during the initial bond pricing period of ten years.

Using the same structure as the first Prepay, SVCE, in January 2023, successfully executed its second Power Prepay structure. The second Prepay covers on average, about 55 MW or about 12% of SVCE's load and provides a substantial savings of approximately $4.7 million per year during the initial bond pricing period of 6.5 years (Attachment 4 provides details of the first two Prepay transactions).

Staff would like to leverage the two years of work put into this structure by replicating it for another Prepay with the same counterparties as the first and second Prepay transactions. The Prepay structure is enhanced for the 3rd transaction to account for deviations in assigned energy volumes from the contracted volumes to settle on an annual instead of monthly basis, better accommodating the assignment of intermittent renewable transactions.

[2] SVCE and the other initial founding member CCAs created the CCCFA, a separate legal entity that can issue tax-exempt municipal bonds.
[3] The CCCFA will be a counterparty to many of these agreements.
[4] The 8 percent saving is relative to a fixed price for energy deliveries under the power supply contract that will be established at the time of the pricing of the bonds using available energy market prices and other information that will be reviewed and approved by SVCE's financial advisor, PFM Financial Advisors LLC.

Staff is contemplating the third Prepay to cover about 12 to 20 percent of SVCE's load. The large range is requested to take advantage of attractive market opportunities if there is sufficient market interest in the transaction with savings that exceed the 8 percent threshold stated earlier.

Since our first transaction was executed, MCE and Pioneer have successfully executed their first Prepay transaction. Clean Power Alliance (CPA) has executed two Prepays. EBCE has executed its third Prepay using the approach staff recommends for SVCE's third transaction. Several other CCAs are currently pursuing a prepay transaction. The bond par value of CCA transactions executed through the California Community Choice Financing Authority (CCCFA) is just over $7 Billion.

The goal of the prepayment transaction is to reduce the cost of power purchases on quantities delivered under the prepay structure with minimal risk to SVCE. The Prepay structure enables publicly owned utilities, including CCAs, to reduce their energy costs by financing the acquisition of long-term energy supplies with tax-exempt bonds. Attachment 5 provides an overview of the Prepay structure; this was shared with the Board and the Finance and Administration Committee before executing the first two Prepay transactions.

STRATEGIC PLAN

Entering a Prepayment transaction will further Goals #2, #3, and #15 of the SVCE Strategic Plan.

Goal #2: Acquire clean and reliable electricity in a cost-effective, equitable, and sustainable manner.

Goal #3: Manage and optimize power supply resources to meet affordability, GHG reduction, and reliability objectives.

Goal #15: Commit to maintaining a strong financial position.

ANALYSIS & DISCUSSION

SVCE has worked with these key parties for the first two Prepay Transactions for the role defined in the table below, except for Ballard Spahr, whom SVCE worked with for the second Prepay transaction. For the first Prepay Transaction, SVCE and EBCE conducted competitive solicitations that resulted in selecting PFM Financial Advisors LLC, Chapman and Cutler, and Morgan Stanley. Moody's Investor Service Inc. was chosen because they have the most experience rating Prepay Bonds of all the rating agencies. These parties discounted their service fees for the second and third Prepay, as shown in the table below.

Firms	Role	First Prepay	Second Prepay	Proposed for Third Prepay
PFM Financial Advisors LLC / PFM Swap Advisors	Municipal Advisor: Advises prepay buyer in negotiations, required by the Municipal Securities Rulemaking Board (MSRB), and on commodity and interest rate swaps.	$250,000	$175,000	$155,000
Chapman & Cutler	Disclosure and Issuer's Counsel: Provides legal counsel and prepares official statement and prospectus	$310,000	$200,000	$175,000
Ballard Spahr*	Bond and Tax Counsel: Represent bondholders and provide tax opinion on the transaction	N/A*	$300,000	$250,000
Moody's Investor Service Inc	Rating Agency: Provides the credit rating for the bonds	$315,000	$232,500	$272,500
Total		$1,300,000	$907,500	$852,500

For the first Prepay, SVCE worked with Orrick, Herrington & Sutcliffe as the bond and tax counsel for $425,000. Because of a potential conflict of interest, SVCE did not work with this firm for the second transaction and, for the same reason, will not do so for this transaction. Ballard Spahr was selected in consultation with our financial advisor, PFM. Ballard Spahr has significant experience in Prepay transactions. PFM had contacted a few niche firms that provide Prepay Bond and Tax Counsel services. After a discussion with PFM, staff agreed with PFM's recommendation of Ballard Spahr based on the competitiveness of their offer and their ability to leverage the work from SVCE's first Prepay transaction.

For this third Prepay transaction, the Prepay Supplier, Morgan Stanley, has proposed charging the same fee as the first two transactions.

When the Board approves the Prepay transaction, the transaction will include a commodity swap agreement with a Swap counterparty. SVCE expects the swap counterparty fee not to exceed $0.50 MWh.

The transaction will entail other nominal costs within the CEO's execution authority. These include:

- Trustee (Bank of New York) ~$35,000
- Trustee Counsel (Bank of New York Counsel) ~$35,000
- Investment Advisor ~$35,000
- Green Bond Second Party Opinion (Kestrel Verifiers) ~$25,000
- Printing and other costs ~$15,000

The initial term of the bonds is expected to be about 5-10 years. SVCE will not execute the transaction unless, at a minimum, we can achieve an energy savings discount of at least 8 percent during the initial bond period. The actual discount will depend on the spread between taxable and tax-exempt rates. At the end of the initial term, the bonds will be refinanced, and the terms of the discount will be set per a Repricing Agreement. Closer to the time of the pricing of the Bonds, the Repricing Agreement will specify a minimum energy savings threshold for the future reset periods, which is currently anticipated to be about 4 percent. As the transaction progresses, the remaining shorter tenor will place downward pressure on future discounts.

The risks to SVCE are minimal as the debt will not be recourse to SVCE. If, for any reason, the structure falls apart, the energy contract(s) assigned to the Prepay will revert to SVCE, and the loss to SVCE will be the staff time spent on the project and the future savings expected to be generated by the prepayment transaction. The initial consultant and attorney fees are all contingent upon the execution of the transaction and will be financed from the bond proceeds.

The transaction is expected to cover 12 to 20 percent of our load, depending on the bond offering size. Combined with the first two Prepays, on average, the total load coverage is expected to be around 35 to 45 percent. As was discussed when seeking approval of the first Prepay transaction, SVCE can easily execute transactions to cover about 50 to 60 percent of the load, after which staff will conduct further portfolio optimization analyses.

SUMMARY OF THE TRANSACTION DOCUMENTS

These are the major agreements that SVCE will sign once the Board authorized parameters are met:

Power Supply Contract – The agreement is between SVCE and CCCFA, and it provides for the sale of clean energy from CCCFA to SVCE for the term of the prepayment.

Letter Agreement Regarding PPA Assignments – The agreement is among SVCE, CCCFA, and Morgan Stanley, and it details the terms of assigning PPAs that SVCE has with a current or future energy supplier.

Form of Limited Assignment Agreement – This agreement is among SVCE, Morgan Stanley, and the third-party energy supplier, and it details the terms of partially assigning SVCE's energy contracts to Morgan Stanley.

Project Administration Agreement – This agreement is between SVCE and CCCFA. The agreement sets the terms for SVCE to act on behalf of the issuer, such as scheduling for the energy.

Energy Supply/PPA Custodial Agreement – This agreement is among SVCE, CCCFA, Morgan Stanley, and the Custodian Bank on handling cashflows among the parties and making the required payments to the energy/PPA supplier.

The following are the major agreements of the prepayment transaction that CCCFA will execute:

Prepaid Agreement – This agreement is between CCCFA and Morgan Stanley, and it details the terms of prepayment by CCCFA to Morgan Stanley and the flow of energy from Morgan Stanley to CCCFA. The terms of this agreement largely mirror those of the Power Supply Contract between SVCE and CCCFA.

Trust Indenture – This agreement is between CCCFA and the Trustee and sets forth the terms of bond issuance, rights of bondholders, and security of the cashflows of CCCFA to ensure principal and interest payments to the bondholders.

Re-pricing agreement – The agreement is between CCCFA and Morgan Stanley and sets the terms for remarketing and repricing of bonds at future bond repricing periods and the terms for calculation of future energy price discounts that will be offered to SVCE.

Also attached is the Preliminary Offering Statement (POS) that will be used to market the bonds and provide information on the energy prepayment transaction, including the key terms of the transaction. Appendix A of this document includes background information on SVCE, including the formation of SVCE, service area, customers, sources of clean energy, and other information to inform bondholders on the financial and operational strength of the organization.

FISCAL IMPACT

Like the first two Prepay transactions, this third transaction can also bring significant savings to SVCE's power procurement portfolio at minimal risks to SVCE. A savings of eight to ten percent for the initial bond term could amount to ~$5 million per year or more, depending on the actual size of the transaction and the market economics when the transaction is executed. Combined savings of three Prepay transactions can amount to $12 million or more yearly over the initial bond reset periods, which can fund a three percent customer discount relative to PG&E rates on average.

ATTACHMENTS

1. Resolution 2023-17, authorizing the CEO to negotiate and approve or execute agreements
2. Resolution 2023-18, authorizing the execution of the Prepay transaction
3. Timeline of SVCE's First Prepay Transaction
4. Summary of the Details of the First Two Prepay Transactions and Cost Breakdowns
5. Overview of the Prepay Structure
6. Agreements/Engagement Letter for Consulting and Counsel Services
7. Power Supply Contract
8. Letter Agreement Regarding PPA Assignments
9. Limited Assignment Agreement
10. Project Administration Agreement
11. Energy/Supply PPA Payments Custodial Agreement
12. Prepaid Agreement
13. Trust Indenture

14. Repricing Agreement
15. Preliminary Offering Statement

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2023-17

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE OR RECOMMEND APPROVAL FOR CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY TO EXECUTE AGREEMENTS, AS NECESSARY, WITH BALLARD SPAHR LLP, CHAPMAN AND CUTLER LLP, PFM FINANCIAL ADVISORS LLC & PFM SWAP ADVISORS LLC, MORGAN STANLEY & CO. LLC AND MOODY'S INVESTOR SERVICE INC. FOR THE PROPOSED ENERGY PREPAYMENT TRANSACTION

WHEREAS, The Silicon Valley Clean Energy Authority ("SVCE") was formed as a community choice aggregation agency ("CCA") on March 31, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.* (the "Act"), among the City of Campbell, City of Cupertino, City of Gilroy, City of Los Altos, Town of Los Altos Hills, Town of Los Gatos, City of Monte Sereno, City of Morgan Hill, City of Mountain View, County of Santa Clara (Unincorporated Area), City of Saratoga and City of Sunnyvale, to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The city of Milpitas, located in Santa Clara County, was added as a member of SVCE and a party to the JPA in June 2018; and

WHEREAS, in order to achieve a significant reduction in power procurement costs, SVCE is considering entering into a third energy prepayment transaction involving the issuance of tax-exempt bonds (the "Bonds") by a third-party conduit agency for which there would be no recourse against SVCE; and

WHEREAS, Chapman and Cutler LLP was selected as proposed legal counsel for the previous prepay transaction through a solicitation issued in June 2020; and

WHEREAS, Orrick, Herrington & Sutcliffe proved unavailable to repeat as legal counsel relating to the Bonds due to a conflict of interest, so Ballard Spahr LLP was selected due to its unique experience with previous prepay transactions; and

WHEREAS, PFM Financial Advisors LLC & PFM Swap Advisors LLC were selected for the financial advisor roles through a solicitation issued in September 2020; and

WHEREAS, Morgan Stanley & Co. LLC was selected as the underwriter for the previous prepay transaction through a solicitation issued in November 2019; and

WHEREAS Moody's Investor Service Inc. was selected for the Bond credit rating service due to its unique experience evaluating similar prepayment transactions, and

WHEREAS The agreements, once negotiated, may be executed by the California Community Choice Financing Authority ("CCCFA"), pending further deliberation between parties; and.

WHEREAS The combined fees for services provided by the firms identified above shall not exceed 1% of the amount of the proceeds of the Bonds, inclusive of other ancillary services, including green bond verification, bond trustee and counsel fees, an investment advisor fee and other miscellaneous costs such as printing.

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 any necessary agreements (the "Agreements") with the following firms for legal services relating to SVCE's energy prepayment transaction and issuance of the Bonds: Ballard Spahr LLP – roles of Bond Counsel and Tax Counsel to CCCFA, and Chapman and Cutler LLP – roles of Disclosure Counsel (including preparing the Official Statement) and special counsel to SVCE; PFM Financial Advisors LLC & PFM Swap Advisors LLC – role of Financial Advisor; Morgan Stanley & Co. LLC – role of the underwriter; and Moody's Investor Service Inc – role of bond transaction credit rating agency. The Chief Executive Officer is also authorized to execute these Agreements or recommend approval to CCCFA to execute the Agreements in support of the prepay transaction and issuance of the Bonds. The total combined costs to SVCE for the four Agreements along with that for green bond verification, bond trustee and counsel fees, an investment advisor fee, underwriting fees and other miscellaneous costs of issuance of the Bonds, including but not limited to printing, shall not exceed 1% of the amount of the proceeds of the Bonds and the Agreements shall be approved as to form by the General Counsel to SVCE. Moody's contract to be executed closer to the transaction date to increase certainty of its need.

PASSED AND ADOPTED this 11th day of October 2023, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				
City of Cupertino	Director Mohan				
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Chua				
City of Monte Sereno	Director Mekechuk				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Director Abe-Koga				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

_____

Chair

ATTEST:

_____

Andrea Pizano, Board Secretary

RESOLUTION 2023-18

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF A POWER SUPPLY CONTRACT AND CERTAIN OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY CLEAN ENERGY PROJECT REVENUE BONDS; AND CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, The Silicon Valley Clean Energy Authority ("SVCE") was formed as a community choice aggregation agency ("CCA") on March 31, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 *et seq.* (the "Act"), among the City of Campbell, City of Cupertino, City of Gilroy, City of Los Altos, Town of Los Altos Hills, Town of Los Gatos, City of Monte Sereno, City of Morgan Hill, City of Mountain View, County of Santa Clara (Unincorporated Area), City of Saratoga and City of Sunnyvale, to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The city of Milpitas, located in Santa Clara County, was added as a member of SVCE and a party to the Joint Powers Agreement (as defined below) in June 2018;

WHEREAS, California Community Choice Financing Authority (the "Issuer") is a joint powers authority established and organized under the Act, with the power and authority to enter into contracts and issue bonds to assist CCAs in financing the acquisition of supplies of clean energy;

WHEREAS, the Issuer is authorized by its Joint Powers Agreement to acquire supplies of clean energy by any means and to issue revenue bonds to finance the cost of acquisition of such supplies, and is vested with all powers necessary to accomplish the purposes for which it was created;

WHEREAS, SVCE has determined that it is desirable to acquire a long-term supply of clean energy from the Issuer;

WHEREAS, SVCE is requesting that the Issuer agree to purchase certain quantities of clean energy from Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company (the "Prepaid Supplier") on a prepaid basis (the "Project") and to sell such clean energy to SVCE, as described herein;

WHEREAS, SVCE is requesting that the Issuer finance the costs of the Project with the proceeds of its Clean Energy Project Revenue Bonds, with such series designation(s) as is determined by CCCFA (the "Bonds");

WHEREAS, SVCE has determined to authorize the officers of SVCE to take all necessary action to accomplish the purchase of clean energy from the Issuer and to assist the Issuer in the issuance, sale and delivery of the Bonds; and

WHEREAS, there have been made available to the Board of Directors of SVCE for approval forms of the following agreements to which SVCE is a party (collectively, the "SVCE Documents"):

1. Power Supply Contract between SVCE and the Issuer;

2. Custodial Agreement by and among SVCE, CCCFA Morgan Stanley Capital Group Inc., a Delaware corporation ("MSCG"), the Prepaid Supplier, and the custodian to be named therein;

3. Form of Limited Assignment Agreement, by and among SVCE, the counterparty to the power purchase agreement described therein, and MSCG;

4. Letter Agreement among SVCE, the Prepaid Supplier and MSCG regarding matters relating to Assignment Agreements; and

5. Prepaid Energy Project Administration Agreement, by and between SVCE and the Issuer; and

WHEREAS, there have also been made available to the Board of Directors of SVCE forms of the following additional documents relating to the Project:

1. Trust Indenture (the "Indenture") between the Issuer and the trustee to be named therein, providing for, among other things, the issuance of and security for the Bonds;

2. Prepaid Energy Sales Agreement (the "Prepaid Agreement") between the Issuer and the Prepaid Supplier, providing for the delivery of the prepaid energy supply to the Issuer;

3. Re-pricing Agreement (the "Re-pricing Agreement") between the Issuer and the Prepaid Supplier providing for the remarketing or refunding of the Bonds from time to time and the establishment of the Monthly Discount available to SVCE under the Power Supply Agreement from time to time during the term of the transaction; and

4. Preliminary Official Statement (the "Preliminary Official Statement"), to be used in connection with the offering and sale of the Bonds, including the information relating to SVCE included in Appendix A thereto (the Indenture, the Prepaid Agreement, the Re-pricing Agreement and the Preliminary Official Statement, together with the SVCE Documents, the "Project Documents");

NOW THEREFORE, BE IT RESOLVED by the SVCE Board of Directors, as follows:

Section 1. The proposed forms of the SVCE Documents, as made available to the Board of Directors for this meeting, are hereby approved. The form of

Limited Assignment Agreement may be used, in substantially the same form, for the initial assignments of SVCE power purchase agreements, and in a similar form for additional power purchase agreements as needed to maintain the transactions approved hereby, with such changes as may be necessary to conform to the requirements of such power purchase agreement or as may be necessary to effect such assignment, and any such Limited Assignment Agreements shall be included in the SVCE Documents hereby approved. Subject to the parameters set forth in Section 4 of this Resolution, any of the Chief Executive Officer, Chief Operations Officer, Chair of the Board, the Director of Finance (each an "Authorized Officer") is hereby authorized and directed, for and on behalf of SVCE, to execute and deliver the SVCE Documents in substantially said form, with such changes and insertions therein as the Authorized Officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. The proposed form of the Preliminary Official Statement, as made available to the Board of Directors for this meeting, is hereby approved. Any Authorized Officer is hereby authorized and directed, for and on behalf of SVCE, to execute and deliver a certificate as to the information regarding SVCE contained therein and in the final version of the Official Statement, with such changes and insertions therein as the Authorized Officer approving the same may deem necessary or appropriate. Subject to approval by the Issuer, SVCE hereby authorizes the distribution of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds, and the delivery of the Official Statement in final form to the purchasers of the Bonds, in each case with such changes as may be approved as aforesaid.

Section 3. Each Authorized Officer is hereby authorized and directed, for and in the name and on behalf of SVCE, to execute and deliver any and all documents, including, without limitation, any tax certificate relating to its expected use of the energy to be purchased by it from the Project, any continuing disclosure certificate or similar agreement required for the offering or sale of the Bonds, and any and all closing certificates to be executed in connection with the issuance of the Bonds and to take any and all actions which may be necessary or advisable, in the discretion of such Authorized Officers, to effectuate the actions which SVCE has approved in this Resolution, for the issuance, sale and delivery of the Bonds, and to consummate by SVCE the transactions contemplated by the SVCE Documents approved hereby and the other Project Documents presented to the Board herewith, including any subsequent amendments, waivers or consents entered into or given under or in accordance with such documents.

Section 4. The amount of the prepayment to be made under the Prepaid Agreement shall be established using the monthly quantities of energy to be delivered over an approximately 30-year term and a fixed price determined as of the time of pricing using available market prices and other information and reviewed and approved by SVCE's financial advisor (the "Fixed Price"), discounted to present value at an agreed discount rate determined at the time of pricing. The prepaid energy will be delivered by the Issuer to SVCE under the Power Supply Contract at a floating day-ahead index price less a monthly discount stated in dollars per MWh (the "Monthly Discount").

Considering the foregoing, the approvals provided for herein shall be subject to the following parameters:

(a) the Bonds will not be obligations of SVCE, but will be limited obligations of the Issuer payable solely from the revenues and other amounts pledged therefor under the Indenture, including amounts payable by SVCE under the Power Supply Contract;

(b) the aggregate principal amount of the Bonds shall not exceed $1,500,000,000;

(c) for the initial Reset Period (as defined in the Power Supply Contract), the annual cost savings relative to the Fixed Price with respect to the energy to be delivered to SVCE under the Power Supply Contract for each annual period during the initial Reset Period, taking into account the Monthly Discount and the Annual Refund (as defined in the Power Supply Contract) for each such annual period, shall be at least eight percent (8%);

(d) The energy service revenue fee in the transaction shall not exceed $1.10 per MWh;

(e) The commodity swap counterparty fee in the transaction shall not exceed $0.50 per MWh; and

(f) If any floating rate bonds are issued, Morgan Stanley shall charge no more than six basis points on the interest rate swap spread to mid-market.

Section 5. Execution and delivery of the SVCE Documents by an Authorized Officer or Officers shall be conclusive evidence that the parameters set forth in Section 4 have been met, and all actions heretofore taken by the Authorized Officers with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 6. If the conditions set forth in Section 4 have been met, an Authorized Officer may direct the payment to professionals that provided services to SVCE in connection with the Project. These professional services include legal counsel, bond counsel, tax counsel, Municipal Financial Advisor, Swap Advisor, and any other consultant needed to complete the transactions contemplated herein for SVCE. Payment to these professionals will be made from the proceeds of the sale of the Bonds and pursuant to the terms of the applicable agreement executed with SVCE.

Section 7. If the conditions set forth in Section 4 have been met, an Authorized Officer may direct the payment to additional vendors and/or parties to the SVCE Documents or other Project Documents to complete the issuance of the Bonds. These vendors, if any, will be paid pursuant to an agreement for services rendered in completing the issuance of the Bonds and from the proceeds of the sale of the Bonds.

Section 8. This Resolution shall take effect immediately.

ADOPTED AND APPROVED at a regular meeting of the SVCE Board of Directors on this 11th day of October, 2023.

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola				
City of Cupertino	Director Mohan				
City of Gilroy	Director Hilton				
City of Los Altos	Director Meadows				
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Chua				
City of Monte Sereno	Director Mekechuk				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Director Abe-Koga				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

_____

Chair

Attest:

_____

Andrea Pizano, Board Clerk

Attachment 3.

First Prepay Timeline

June-2019	SVCE presents Prepay Structure Overview Presentation (developed by Goldman Sachs) to the Finance and Admin Committee
Aug-2019	SVCE presents a brief verbal update on the prepay process to the Finance and Admin Committee
Sept-2019	SVCE and PFM Financial Advisors provide an update on the upcoming RFP process to the Finance and Admin Committee
Nov-2019	SVCE provides Prepay RFP Overview to Executive Committee - PFM issues RFP to select Prepay Bank Supplier on behalf of EBCE and SVCE on Nov 12th - RFP Proposals were due December 5th
Jan-2020	SVCE presents Prepay Structure Overview to the Finance and Admin Committee
Spring-2020	SVCE and EBCE conduct RFP evaluations to select Prepay Bank Supplier
July-2020	SVCE and EBCE select Morgan Stanley as a Prepay Bank Supplier
Aug-2020	SVCE provides a Prepay Status Report to the Finance and Admin Committee
Sept-2020	SVCE provides the Board with a Prepay Overview on preparing for a Prepay Transaction SVCE provides a Prepay Status Report to the Finance and Admin Committee
Oct-2020	SVCE Board Authorizes CEO to enter legal service agreements to finalize Prepayment Transaction (Orrick, Herrington & Sutcliffe and Chapman & Cutler LLP)
Nov-2020	SVCE provides a Prepay Status Report to the Finance and Admin Committee
Mar-2021	SVCE provides a Prepay Status Report to the Finance and Admin Committee SVCE provides a Prepay Status Report to the Executive Committee
April-2021	SVCE Board Approves Participation in the California Community Choice Financing Authority Joint Powers Authority
Aug-2021	The Finance and Admin Committee reviews the Prepay Transaction and votes to recommend Board approval. The Board authorizes execution of the first Prepay Transaction subject to parameters including that bonds are not obligations of SVCE, size of the bonds, and minimum savings target.
Sept-2021	Sept 9, 2021, bonds priced
Jan-2022	Power delivery under Prepay begins.

Attachment 4.

Summary of the Details of the First Prepay Transaction

Aggregate Principal Bond Amount	$1,234,720,000 (SVCE and EBCE combined)
Total Bond Proceeds	$1,475,895,642.5 (SVCE and EBCE combined)
Municipal Bond Rating	A1
Green Certification	Designated Green Bonds by Kestrel Verifiers
Initial Bond Pricing Period	• 10 years. • After the initial period, bonds will be repriced per the negotiated repricing agreement, and a new discount will be established based on the prevailing market conditions[1].
Final Bond Maturity Date	• February 1, 2052.
Discount Achieved	• $4.38 per MWh, about 10% of the energy cost of SVCE's 3-year transaction initially assigned into the Prepay. • ~$1.9 million per year for SVCE during the initial bond pricing period of ten years.
Energy Volume Supported by Bond Proceeds	109 MW, of which SVCE's share is 50 MW (about 11% of load) and EBCE's share is 59 MW for approximately the first ten years of the transaction; after that, the same proportional volume split will be maintained between SVCE and EBCE.

Summary of the Transaction Cost Breakdown ($000)

Bond and Tax Counsel: Orrick, Herrington & Sutcliffe	425
Credit Rating: Moody's	315
Issuer's Counsel and Disclosure Counsel: Chapman & Cutler LLP	310
Municipal Advisor: Public Financial Management	250
Investment Advisor: Public Financial Management Asset Mgmt	42
Trustee: Bank of New York (BNY)	32
Trustee Counsel: BNY Counsel	35
Printing Cost	3
Contingency/Other	10
Total COI	1,422
Morgan Stanley Underwriting	6,341
Total	**7,763**

Summary of the Details of the Second Prepay Transaction

Aggregate Principal Bond Amount	$841,550,000
Total Bond Proceeds	$891,418,648.10

[1] The repricing agreement has a minimum savings requirement of $2 per MWh.

Municipal Bond Rating	A1
Green Certification	Designated Green Bonds by Kestrel Verifiers
Initial Bond Pricing Period	• 6.5 years. • After the initial period, bonds will be repriced per the negotiated repricing agreement, and a new discount will be established based on prevailing market conditions.[2]
Final Bond Maturity Date	• July 1, 2053.
Discount Achieved	• $9.77 per MWh, about 10% of the price established for energy deliveries under the power supply contract. • ~$4.7 million per year during the initial bond pricing period of 6.5 years.
Energy Volume Supported by Bond Proceeds	~55 MW (about 12% of load; a slight escalation in the latter half of the transaction)
Power Delivery Start Date	June 1, 2023

Summary of the Transaction Cost Breakdown ($000)

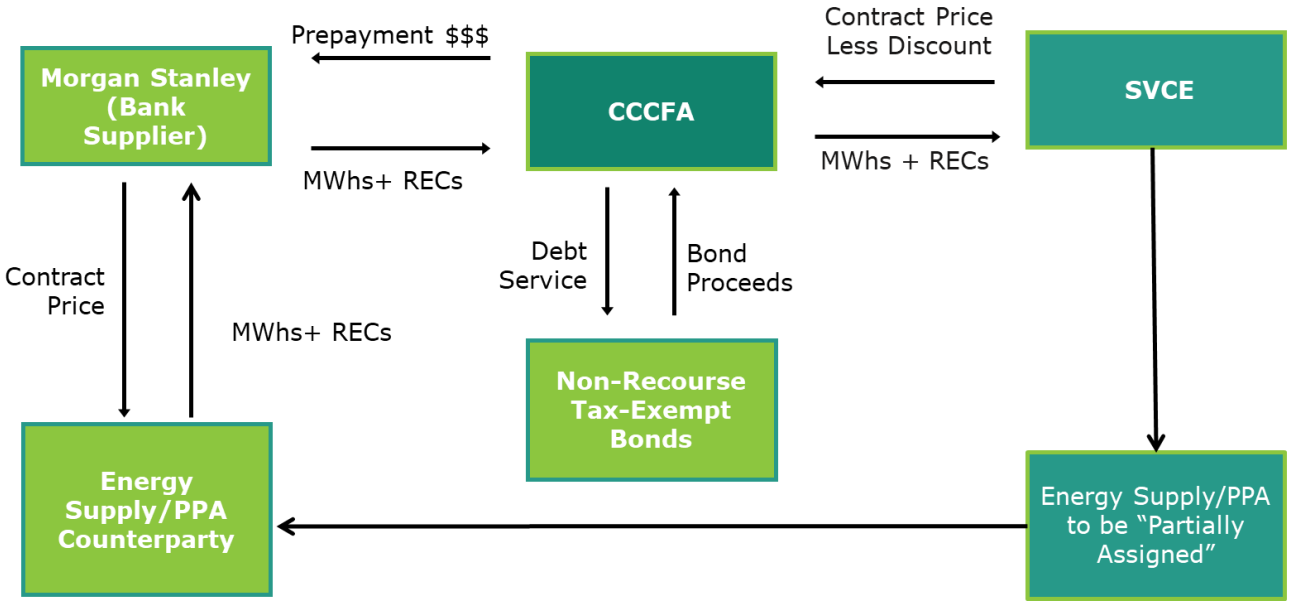
Bond and Tax Counsel: Ballard Spahr	300
Credit Rating: Moody's	232.5
Issuer's Counsel and Disclosure Counsel: Chapman & Cutler LLP	200
Municipal Advisor: PFM Financial Advisors LLC	175
Investment Advisor: PFMAM (US Bank)	35
Trustee: BNY Mellon Corporate Trust	30.9
Trustee Counsel: Ballard Spahr	30
Printing Cost: ImageMaster	3.3
Green Bond Second Party Opinion: Kestrel	22
Contingency/Other	16.8
Total COI	1,045.5
Morgan Stanley Underwriting	4,359.2
Total	**5,404.7**

[2] The repricing agreement has a minimum savings requirement of $4.50 per MWh.

Attachment 5.

Overview of the Prepay Structure

Structural Overview of Power Prepay



Under the existing non-Prepay structure, SVCE has Power Purchase Agreements (PPA) and other carbon-free energy transactions with a counterparty (Energy Supplier). The Energy Supplier provides energy and any associated renewable/carbon-free credits (environmental credits) to SVCE, and SVCE pays the Energy Supplier the contract price. Under the prepayment structure:

1. SVCE assigns its rights to energy under the energy contract equivalent to the prepaid quantity to Morgan Stanley at the contract price. Now, the Energy Supplier will provide the assigned quantity of energy with any associated environmental credits to Morgan Stanley. Morgan Stanley will pay the contract price to the Energy Supplier.
2. SVCE and the other initial founding member CCAs created the California Community Choice Financing Authority (CCCFA), a separate legal entity that can issue tax-exempt municipal bonds.
3. CCCFA issues non-recourse tax-exempt bonds secured by the contractual rights and transaction cashflows under a trust indenture. The bonds are not secured or guaranteed by SVCE or CCCFA. Based on the contractual agreements securing the bonds, the bonds will carry the credit ratings of Morgan Stanley.
4. CCCFA uses the proceeds from the bonds, net of all prepay transaction fees, and pays Morgan Stanley the present value of energy cost and any environmental credits that Morgan Stanley will deliver to CCCFA over the 30-year term of the transaction under a prepaid power agreement.
5. SVCE and CCCFA execute a power supply agreement. Under this agreement, SVCE pays CCCFA the initial contract price less a discount as CCCFA delivers to SVCE the energy and environmental credits it receives from Morgan Stanley.
6. CCCFA uses payments received from SVCE to pay interest and principal payments to the Bondholders.

Under the prepayment structure, SVCE receives the same energy and environmental credits from the Energy Supplier (indirectly via Morgan Stanley and then CCCFA) but for a lower price. The savings or lower price source is primarily the difference between taxable and tax-exempt debt interest rates. Morgan Stanley's capital needs are funded by various means in taxable corporate markets with higher interest rates than tax-

exempt debt. As a public agency, CCCFA can issue tax-exempt debt. When CCCFA provides the prepayment to Morgan Stanley for energy that Morgan Stanley will deliver over the term of the transaction, Morgan Stanley is effectively raising capital at a lower cost. On a negotiated basis, Morgan Stanley flows the savings to SVCE by lowering the price SVCE pays for the energy and any environmental credits. By using this prepayment structure, SVCE can reduce the cost of energy purchases delivered under this structure.

The bonds can have an initial term of about 5-10 years, and SVCE will not execute the transactions unless the Board-authorized savings can be realized. At the end of the initial term, the bonds will be refinanced, and the terms of the discount will be set per a Repricing Agreement, which will also specify a minimum discount threshold.

The risks to SVCE are minimal as the debt will not be recourse to SVCE. If the structure falls apart for any reason, the original energy contract will revert to SVCE, and the loss to SVCE will be the staff time invested in the project and the future savings expected to be generated by the prepayment transaction. The initial consultant and attorney fees are all contingent upon the execution of the transaction and will be financed from the bond proceeds.

Consulting Services Agreement for Services By And Between Silicon Valley Clean Energy Authority, and Chapman and Cutler LLP

This Consulting Services Agreement ("Agreement") is made this [__] day of [_____], 2023 ("Effective Date") by and between Silicon Valley Clean Energy Authority ("SVCE"), a joint powers authority formed under the laws of the State of California, and Chapman and Cutler LLP, an Illinois limited liability partnership ("Consultant") for the purpose of providing legal services to SVCE as more specifically set forth on Exhibit A.

Section 1. Recitals

1.1 SVCE is an independent joint powers authority duly organized under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") with the power to conduct its business and enter into agreements.

1.2 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.

NOW THEREFORE, for good and valuable consideration, the amount and sufficiency of which is hereby acknowledged, the Parties to this Agreement, agree as follows:

Section 2. Term

The term of this Agreement is from the Effective Date of this Agreement through March 31, 2024 (the "Term"), unless extended or terminated earlier pursuant to Section 8.

Section 3. Scope of Work/Compliance with Laws and Regulations

3.1 Consultant agrees to perform the scope of work (the "Work") in Exhibit A in accordance with the compliance schedule in Exhibit B.

3.2 Consultant represents and warrants that it has the skill and expertise to perform the Work. Consultant agrees to obtain any and all necessary licenses, approvals or permits necessary to perform the Work.

3.3 Consultant and its Subconsultants must comply with all federal, state and local laws and regulations in performing the Work under this Agreement.

Section 4. Consultant Staffing

Exhibit C contains a list of Consultant's project manager and all team members. Consultant will not change or substitute the project manager or any team members or add additional team members without consultation with SVCE.

Section 5. Subconsultants

5.1 Consultant agrees to use only those Subconsultants listed on Exhibit D. Consultant shall notify SVCE within a reasonable period of time of any changes, additions, or removals of a Subconsultant.

5.2 Consultant agrees to require all Subconsultants to comply with the terms of this Agreement, including without limitation, maintaining insurance in compliance with the insurance obligations under Section 9, the Confidentiality requirements under Section 11 and indemnifying SVCE under Section 12.

Section 6. Compensation and Payment

6.1 The maximum compensation under this Agreement is $175,000.

6.2 Work under this Agreement is to be performed on a task or project basis. Consultant will submit an invoice for full payment in accordance with Exhibit E within thirty (30) days following a successful closing of the Transaction described in Exhibit A.

6.3 SVCE will not agree to pay any markups on Subconsultant Services or supplies unless such markups are included in Exhibit E, Compensation/Budget and such markups were included in Consultant's bid, if applicable.

6.4 Consultant is a U.S. based person or entity, has a permanent place of business in California and is registered with the California Secretary of State to do business in California, and will provide to SVCE a properly completed Internal Revenue Service Form W-9 before SVCE will process payment.

6.5 SVCE agrees to pay invoices within forty-five (45) days of receipt. Invoices may be sent to SVCE by U.S. mail or electronic mail. Invoices will be deemed received on the next business day following the date of transmission via electronic mail or three days after placement in the U.S. mail.

6.6 SVCE, as a Joint Powers Authority, is a separate public entity from its constituent members and will be solely responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Consultant acknowledges that it will have no rights and agrees not to make any claims, take any actions or assert any remedies against any of SVCE's constituent members in connection with this Agreement.

Section 7. Records Retention and Ownership of Work Product

7.1 The Consultant must retain all ledgers, books of accounts, invoices, vouchers,

cancelled checks, background materials, or other records relating to its performance under this Agreement for a period of three years following termination of this Agreement.

7.2 SVCE owns all rights, including without limitation, all licenses, copyrights, service marks and patents, in and to all Work Product(s), whether written or electronic, without restriction or limitation upon their use and immediately when and as created by the Consultant, any Subconsultants, or any other person engaged directly or indirectly by the Consultant to perform under this Agreement. "Work Product(s)" means all writings, reports, drawings, plans, data, video, media, photographs, renderings, plans, software, models, and other similar documents and materials developed or created by Consultant or its Subconsultants on behalf of or for use by SVCE under this Agreement. All Work Product(s) will be considered "works made for hire," and together with any and all intellectual property rights arising from their creation will be and remain the property of SVCE without restriction or limitation upon their use, duplication or dissemination by SVCE. Consultant agrees not to obtain or attempt to obtain copyright protection in its own name for any Work Product.

Section 8. Termination

8.1 SVCE may terminate this Agreement for any reason by giving Consultant written notice. The termination notice may set the date of termination, but if no such date is given, termination is effective seven (7) days following the date of the written notice.

8.2 Upon termination for any reason, SVCE has the option of requiring the Consultant to complete work up to the date of termination or to cease work immediately. SVCE has the further option to require Consultant to provide SVCE any finished or unfinished Work or Work Product prepared by the Consultant up to the date of termination.

8.3 SVCE agrees to pay Consultant the reasonable value of services satisfactorily rendered by the Consultant to SVCE up to the date of written Notice of Termination. If SVCE authorizes Consultant to continue performing the Work through the date of termination, SVCE agrees to pay Consultant the reasonable value of services satisfactorily rendered up through the date of termination, provided such services are in compliance with the Compensation/Budget in Exhibit E.

8.4 Upon termination of this Agreement, and at no cost to SVCE, Consultant, its Subconsultants and anyone working for SVCE under control of Consultant must return all Work Product to SVCE. Consultant may only retain copies of the Work Product by express written permission of SVCE.

Section 9. Insurance

9.1 Consultant must procure, maintain and comply with the insurance requirements in Exhibit F throughout the full Term of this Agreement. Consultant must provide proof of insurance either in the form of a certificate of insurance or, if requested by SVCE, a copy of the insurance policy, prior to performing any work under this Agreement.

9.2 Consultant agrees not to terminate any of the required insurance coverage during the term of this Agreement. Consultant must give SVCE ten (10) days written notice and obtain SVCE's written approval prior to making any modifications in the insurance coverage.

9.3 Consultant must either include Subconsultants under its insurance policies or require each Subconsultant to comply with the insurance obligations in Exhibit F.

Section 10. No Discrimination or Conflict of Interest

10.1 Consultant represents and warrants, on behalf of itself and its Subconsultants, that it has not and will not discriminate against anyone based on his/her age, color religion, sex, sexual orientation, disability, race or national origin.

10.2 Consultant represents and warrants, on behalf of itself and its Subconsultants, that it is familiar with local, state and federal conflict of interest laws, that in entering into this Agreement it is not violating any of the conflict of interest laws, that it will avoid any conflicts of interest during the term of this Agreement, and that it will notify SVCE immediately if it identifies any conflicts of interest Consultant understands that violations of this Section 10 could result in immediate termination of this Agreement and disgorgement of compensation.

10.3 In accordance with the California Political Reform Act (Cal. Gov't Code section 81000 *et seq.*), Consultant will cause each person listed on Exhibit C and any other person performing services under this Agreement to file a Form 700 within 30 days after the person begins performing services under this Agreement and subsequently on an annual basis in conformance with the requirements of the Political Reform Act by filing a copy by electronic mail and an original with SVCE at their respective email and physical delivery addresses set forth in Section 14.7. Each of the identified positions must disclose interests in accordance with SVCE Resolution No. 2020-28, Conflict of Interest Code, which may be amended from time to time. For the work currently outlined in Exhibit A, this Agreement does not require the Filing of Form 700 at this time.

Section 11. Confidentiality

11.1 Except as authorized by SVCE or as otherwise required by law, Consultant shall not disclose to any third party/ies any draft or final Work Product, discussions or written correspondence between Consultant and its Subconsultants or discussions or written correspondence between Consultant and SVCE staff. In the event Consultant receives a request from any third-party requesting disclosure of any Work Product, discussions, communications or any other information Consultant is prohibited from disclosing, Consultant will immediately notify SVCE and wait for direction from SVCE before disclosing the information.

11.2 For the purposes of this Section 11, "third parties" refers to any person or group other than SVCE staff and Board members. For example, "third parties" include community groups, Board advisory groups, other governmental agencies, other consultants or members of the community.

11.3 This Section 11 will survive the expiration or termination of this Agreement.

Section 12. Indemnity

12.1 Consultant shall indemnify and hold harmless SVCE from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses ("Claims"), arising out of any actual or alleged death or injury to any human person, or damage to any tangible real or personal property (e.g., buildings, equipment, furniture and fixtures) as a result of Consultant's negligence; provided, however, that this Subsection 12.1 shall not be construed to apply to any Claims arising out of the professional negligence or malpractice of Consultant as counsel providing the services described herein.

12.2 Consultant's obligations in Subsection 12.1 do not apply to the extent any Claim results from the sole negligence or willful misconduct of the SVCE Indemnitees, as the case may be.

12.3 Except as limited by Subsection 12.1, Consultant's obligation to defend SVCE applies to the maximum extent allowed by law and includes defending Indemnitees as set forth in California Civil Code sections 2778 and 2782.8.

12.4 The Consultant's obligations under Section 12 apply regardless of the existence or amount of insurance the Consultant carries or has made available to SVCE.

12.5 The Parties agree that this Section 12 survives the expiration or earlier termination of the Agreement.

Section 13. Consultant is an Independent Contractor

13.1 Consultant and its Subconsultant(s) are and at all times will be independent contractors. Consultant has complete control over its operations and employees and is not an agent or employee of SVCE and must not represent or act as SVCE's agent or employee. Consultant agrees, on behalf of itself and its employees and Subconsultants, that it does not have any rights to retirement benefits or other benefits accruing to SVCE employees, and expressly waives any claim it may have to any such rights.

13.2 As an independent contractor, Consultant has complete control over its Subconsultants, Subsuppliers, affiliates agents and any other person or entity with whom the Consultant contracts in furtherance of this Agreement (collectively "Subconsultants"). Subject to the requirements of Section 5 of this Agreement, Consultant is solely responsible for selecting, managing and compensating its Subconsultants, and for ensuring they comply with this Agreement.

Section 14. Miscellaneous Terms and Conditions

14.1 SVCE Authority.
The respective Chief Executive Officer of SVCE and/or his or her designee is authorized to take all actions for SVCE under this Agreement, including without limitation, amendments that fall within the Chief Executive Officer's signing authority, termination or modification of terms.

14.2 Waiver.
Waiver by either party of any one or more conditions, Sections, provisions or performance of this Agreement will not be a waiver of any other provision; nor will failure to enforce a provision or Section in one instance waive the right to enforce such provision or Section in the future. In no event will payment by SVCE to Consultant constitute or be construed as a waiver by SVCE of any breach or default of this Agreement, nor will such payment prejudice any of SVCE's other rights or remedies.

14.3 Governing Law.
Consultant and SVCE agree that this Agreement will be interpreted under the laws of the State of California.

14.4 Venue.
Any litigation resulting from this Agreement will be filed and resolved by a state court in Alameda County, California, or if appropriate, the federal courts in the Northern District of California located in San Francisco.

14.5 Audit Rights.
All records or documents required to be kept pursuant to this Agreement must be made available for audit at no cost to SVCE, at any time during regular business hours, upon written request by SVCE. Copies of such records or documents shall be provided to SVCE at their respective addresses set forth in Section 14.7 unless an alternative location is mutually agreed upon.

14.6 Recitals and Exhibits.
The Recitals in Section 1 above are intentionally made a part of this Agreement. All Exhibits and any other documents incorporated by reference are a part of this Agreement.

14.7 Notices.
Any notices required to be given under this Agreement must be made in writing and may be delivered a) personally, in which case they are effective upon receipt; b) by U.S. Mail, in which case they are effective three (3) days following deposit in the U.S. Mail, unless accompanied by a return receipt in which case, they are effective upon the date on the receipt; or c) by electronic mail, in which case they are effective upon confirmation of receipt, and if no confirmation of receipt, they are effective one day after transmission, providing that a hard copy is also sent via U.S. mail. All notices must be sent to the addresses below:

SVCE	Attn: Girish Balachandran Silicon Valley Clean Energy Authority 333 W. El Camino Real, #330 Sunnyvale, CA 94087 Email: girish@svcleanenergy.org Phone: (408) 721-5301 x1001
Consultant	Attn: Douglas Bird Chapman and Cutler LLP 1270 Avenue of the Americas New York, New York 10020 Email: doug.bird@chapman.com Phone: (212) 655-2519

14.8 Assignment**.**
Except to the extent this Agreement authorizes Consultant to use Subconsultants, Consultant will not assign any part of this Agreement without SVCE's prior written consent. SVCE, at its sole discretion, may void this Agreement if a violation of this provision occurs.

14.9 Integrated Agreement.
The Recitals, this Agreement and the Exhibits attached to this Agreement contain the complete understanding between SVCE and Consultant and supersedes any prior or contemporaneous negotiations, representations, agreements, understandings and statements, written or oral respecting the Work up through the Effective Date of this Agreement.

14.10 Amendments.
Any and all amendments or modifications to this Agreement must be made in writing and signed by each Party before such amendment will be effective.

14.11 Government Claims Act.
Nothing in this Agreement waives the requirements to comply with the Governmental Claims Act, where applicable.

14.12 Severability.
If a court of competent jurisdiction holds any Section or part of this Agreement to be invalid or unenforceable for any reason and the Work can still be performed, the Parties agree to sever the invalid or unenforceable Section from this Agreement and that all remaining Sections or parts of this Agreement will continue to be enforceable.

14.13 Counterparts
This Agreement may be executed in one or more counterparts, all of which taken together will constitute one and the same instrument and each of which will be deemed an original.

14.14 No Party Deemed Drafter
This Agreement will be considered for all purposes as prepared through the joint efforts of the Parties and will not be construed against one Party or the other as a result of the preparation, substitution, submission, or other event of negotiation, drafting or execution hereof.

Section 15. Authorized Signatories

Consultant is a limited liability partnership organized and established under the laws of the State of Illinois, and the individual executing this Agreement is a Managing Partner of Consultant with full power and authority to bind Consultant to the terms of this Agreement.

[*signatures on following page*]

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

CHAPMAN AND CUTLER LLP,
a Illinois limited liability partnership

By Douglas A. Bird

_____

Title Partner

Date _____

SILICON VALLEY CLEAN ENERGY AUTHORITY

A Joint Powers Authority

By _____

_____

Title _____

Date _____

APPROVED AS TO FORM:

_____
SVCE General Counsel

LIST OF EXHIBITS

EXHIBIT A: SCOPE OF WORK

EXHIBIT B: SCHEDULE

EXHIBIT C: CONSULTANT STAFFING

EXHIBIT D: SUBCONSULTANTS

EXHIBIT E: COMPENSATION/BUDGET

EXHIBIT F: INSURANCE REQUIREMENTS

Exhibit A

SCOPE OF WORK

Scope of Services:

Consultant will perform legal services on behalf of SVCE relating to a renewable energy prepayment transaction (the "Transaction"), including, as applicable, reviewing and commenting on documents and filings relating to the issuer, reviewing and commenting on board presentations and approvals, drafting, reviewing and negotiating applicable agreements, certificates and legal opinions, and disclosure counsel services to SVCE in connection with the marketing of the bonds to be issued to finance the Transaction.

Additional Services:

Consultant will not provide additional services outside of the services identified in Exhibit A, unless it obtains advance written authorization from the project manager or lead SVCE representatives prior to commencement of any additional services.

Exhibit B

SCHEDULE

As directed by SVCE

Exhibit C

CONSULTANT STAFFING

- Doug Bird, Partner (Project Manager)
- Jacquelyn Cerasuolo, Partner

Exhibit D

SUBCONSULTANTS

Subconsultants are not authorized under this Agreement

DocuSign Envelope ID: 9A709579-3C2C-4489-A842-EE4C8CDD2730

Exhibit E

COMPENSATION/BUDGET

Consultant will perform the legal services referred to in Exhibit A for a fixed fee of $175,000 (the “Fixed Fee”). The Fixed Fee will be payable solely from proceeds of the bonds at closing of the Transaction described in Exhibit A.

The maximum compensation under this Agreement is $175,000.

Exhibit F

INSURANCE REQUIREMENTS

A. Minimum Scope and Limits of Insurance. Consultant must procure, and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of One Million Dollars ($1,000,000.00) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Two Million Dollars ($2,000,000.00) per project or location. If Consultant is a limited liability company, the commercial general liability coverage must be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of One Million Dollars ($1,000,000.00) per accident for bodily injury and property damage.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of One Million Dollars ($1,000,000.00) per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant must execute a declaration that it has no employees.

4) Professional Liability/Errors & Omissions Insurance with minimum limits of Two Million Dollars ($2,000,000.00) per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Exhibit F must be issued by an insurer admitted to write insurance in the State of California and, except as provided in the next sentence, with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Consultant represents that it presently carries professional liability insurance in a minimum amount of $50 million per claim and an aggregate amount greater than $100 million, issued under an annual claims-made policy from Attorneys Liability Assurance Society, Inc. (*"ALAS"*). ALAS is rated "A" by Fitch. In the event Consultant no longer maintains professional liability insurance from ALAS during the term of this Agreement, Consultant will secure professional liability insurance from a company or companies with a rating not less than that maintained by ALAS or otherwise with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide.

C. Additional Insured/Additional Named Insured. The automobile liability policies must contain an endorsement naming SVCE, its officers, employees, agents and volunteers as additional insureds. The commercial general liability policy must contain an endorsement naming SVCE, its officers, employees, agents and volunteers as additional named insureds.

D. Primary and Non-Contributing. The insurance policies required under this Agreement must apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to SVCE. Any insurance or self- insurance maintained by SVCE, its officers, employees, agents or volunteers, will be in excess of Consultant's insurance and will not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Agreement will not prohibit Consultant and Consultant's employees, agents or Subconsultants from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against SVCE. Notwithstanding the foregoing, this Paragraph E shall not apply to any Professional Liability Insurance policy maintained by Consultant as required by clause 4 of Paragraph A, nor does Consultant waive any rights of subrogation against SVCE under any such policy.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by SVCE. At SVCE's option, Consultant must either reduce or eliminate the deductibles or self- insured retentions with respect to SVCE, or Consultant must procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant agrees not to cancel any insurance coverage during the Term. Consultant further agrees not to reduce or otherwise modify the insurance policies required by this Agreement during the term of this Agreement, without the prior written approval of SVCE. The commercial general and automobile liability policies required under this Agreement must be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to SVCE. If any insurance policy required under Agreement is canceled or reduced in coverage or limits, Consultant must, within two business days of notice from the insurer, phone and notify SVCE via electronic mail and certified mail, return receipt requested, of the cancellation of or reductions to any policy.

H. SVCE Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Agreement in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements of this Exhibit F, SVCE may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, SVCE may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant must promptly reimburse SVCE for any premium paid by SVCE, and SVCE, in its sole discretion, may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant must furnish SVCE with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Agreement. The endorsements are subject to SVCE's approval. SVCE may request, and Consultant must provide complete, certified copies of all required insurance policies to SVCE. Consultant must maintain current endorsements on file with SVCE. Consultant must provide proof to SVCE that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant must furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant will not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify SVCE under Section 12 of this Agreement.

K. Subconsultant Insurance Requirements. Consultant's insurance coverage must include its Subconsultants or Consultant must require each of its Subconsultants that perform Work under this Agreement to maintain insurance coverage that meets all the requirements of this Exhibit F.

Ballard Spahr LLP

1735 Market Street, 51st Floor
Philadelphia, PA 19103-7599
TEL 215.665.8500
FAX 215.864.8999
www.ballardspahr.com

Kimberly D. Magrini
Tel: 215.864.8365
Fax: 215.864.8999
magrinik@ballardspahr.com

September 12, 2023

Nick Chaset and Garth Salisbury
California Community Choice Financing Authority
San Rafael, California

Re: Agreement for Legal Services by and Between CCCFA and Ballard Spahr

Dear Nick and Garth:

We are pleased that you have asked the firm to serve as your counsel, as described herein. This letter will confirm our discussion with you regarding your engagement of this firm and will describe the basis on which our firm will provide legal services to you.

Accordingly, we submit for your approval the following provisions governing our engagement. If you are in agreement, please sign the enclosed copy of this letter in the space provided below. If you have any questions about these provisions, or if you would like to discuss possible modifications, do not hesitate to call.

1. *Client; Scope Representation*. Our client in this matter will be California Community Choice Financing Authority (the "Issuer"). We will be engaged as bond counsel and special tax counsel to advise the Issuer solely in connection with an energy prepay financing (the "Prepay Financing"), including preparing, negotiating and revising certain documentation required to consummate such Prepay Financing. It is our understanding that the Issuer will be represented by David Ruderman, its General Counsel, who will render an approving opinion on its behalf regarding its legal authority and approvals, and enforceability of documents to which it is a party. You may limit or expand the scope of our representation from time to time, subject to our explicit agreement of any substantial expansion of services.

2. *Term of Engagement.* Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct.

3. *Conclusion of Representation; Retention and Disposition of Documents.* Unless previously terminated, our representation of the Issuer will terminate upon closing of the issuance of bonds in connection with the Prepay Financing. Following such termination, any otherwise nonpublic information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request,

your papers and property and any final documents prepared on behalf of CCCFA during the engagement will be returned to you promptly upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained by the firm. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, and credit and accounting records; and internal lawyers' work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. All such documents retained by the firm will be transferred to the person responsible for administering our records retention program. We may destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

4. *Post-Engagement Matters*. You are engaging the firm to provide legal services in connection with the matter referred to in this letter. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you engage us after completion of the matter to provide additional advice on issues arising from the matter, the firm has no continuing obligation to advise you with respect to future legal developments.

5. *Fees and Expenses; Staffing*. The fee for this matter will be a fixed fee of $250,000, payable at closing, which is expected to occur no later than December 31, 2023. Ballard Spahr understands and agrees the closing is subject to the approval of the CCCFA Board of Directors. If the CCCFA Board of Directors does not approve of the closing, then no payment under this engagement is owed. We expect to staff this matter with Charlie Henck, Mike Charlebois, and Andrew Wang for tax matters; and Joyce Gorman, Kim Magrini, and Ben Vernon for other bond counsel matters; as well as Laura Cavacini, a paralegal. Subject to the Conflict Waiver, we may engage other firm attorneys when and as needed.

6. *Client Responsibilities*. You agree to cooperate fully with us and to provide promptly all information known or available to you relevant to our representation. You also agree to pay our statements for services and expenses in accordance with paragraph 5 above.

7. *Conflicts of Interest*. Ballard Spahr represents many other companies and individuals, and namely has been asked to represent, in a separate capacity, The Bank of New York Mellon Trust Company, N.A. ("BNY Mellon") as counsel to the trustee. Ballard Spahr regularly represents BNY Mellon in connection with other matters, including energy prepays. Ballard Spahr has staffed the representations of CCCFA and BNY Mellon with separate teams and has established ethical walls with respect to its representation of CCCFA and BNY Mellon to ensure that no information is accessible or made available between those teams at Ballard Spahr.

Additionally, Ballard Spahr regularly represents Morgan Stanley & Co. LLC ("Morgan Stanley"), the underwriter for this Prepay Financing, in connection with various other

unrelated matters. It is our understanding that Morgan Stanley will be represented by Nixon Peabody LLP as underwriter's counsel (and any Morgan Stanley affiliates involved in the Prepay Financing will be represented by other counsel), and that CCCFA's general counsel will represent CCCFA and will render a legal opinion on its behalf.

In light of our other unrelated Morgan Stanley engagements and our roles as counsel to BNY Mellon as Trustee in the Prepay Financing, Ballard Spahr has obtained conflict waivers from Morgan Stanley and BNY Mellon, and requests by signing below that CCCFA acknowledge the other client relationships described above and that CCCFA consent to our serving as bond counsel, special tax counsel and counsel to the trustee in connection with the Prepay Financing. In the event litigation or any dispute were to arise between Morgan Stanley and CCCFA and/or Silicon Valley and/or BNY Mellon in connection with the Prepay Financing, Ballard Spahr would not represent or advise any of CCCFA, Silicon Valley, Morgan Stanley, or BNY Mellon in connection with any such litigation or dispute, without the consent of CCCFA. Ballard Spahr will not disclose any files or information in its possession obtained in connection with Ballard Spahr's representation of CCCFA or its affiliates in connection with matters unrelated to the Prepay Financing or otherwise to Morgan Stanley or BNY Mellon.

If you are in agreement with the terms of this letter and the Terms of Engagement please sign the enclosed copy of this letter in the space provided below.

(signatures follow)

We look forward to working with you. If you have any questions regarding our engagement either now or during the course of our work together, please do not hesitate to call me.

Very truly yours,



Kimberly D. Magrini

KDM/jw
Attachment

Agreed and accepted:

California Community Choice Financing Authority

By: _____
Name:
Title:

Ballard Spahr LLP

Terms of Engagement

The following terms together with the accompanying letter of engagement constitute the terms of your engagement of Ballard Spahr LLP ("Ballard Spahr") as your lawyers. Unless modified in writing by mutual agreement, these terms will be an integral part of Ballard Spahr's agreement with you. Therefore, we ask that you review these terms carefully and contact us promptly if you have any questions. We suggest that you retain these terms in your file.

1. **CLIENT.** It is understood that Ballard Spahr's Client for purposes of this representation is limited to the individual or entity specifically identified in the engagement letter and does not include others.

2. **SCOPE OF REPRESENTATION.** Our representation is limited to performance of the services expressly described in the engagement letter and does not include representation of you or your interests in any other matter. It is important that you have a clear understanding of the legal services we will provide and that you contact us promptly to discuss any questions that you may have about them. You may limit or expand the scope of the representation from time to time, provided that any substantial change is agreed to by us and made in writing. We will provide legal counsel to you in reliance upon information and guidance provided by you, keep you reasonably informed of the status of the matter, and respond to your inquiries. Any expressions on our part concerning the outcome of your legal matters are expressions of our professional judgment, but are not guarantees. Such opinions are necessarily limited by our knowledge of the facts and are based on the state of the law at the time they are expressed.

3. **REGARDING FEDERAL TAX ADVICE.** In the course of our representation, we may render tax advice to you on various legal matters. You understand that you may not use such tax advice to avoid any penalties that may be imposed by the Internal Revenue Service unless, in accordance with the Internal Revenue Service rules of practice, we are specifically engaged to provide a formal, written tax opinion for that purpose. Accordingly, you acknowledge that we may legend any written tax advice that we provide in the course of this engagement to indicate that it may not be relied on for purposes of penalty protection. You further understand that our representation does not include the provision of any tax advice concerning transactions in which you may participate that would be "reportable transactions"

within the meaning of Section 6707A of the Internal Revenue Code of 1986, as amended, and that our provision of tax advice concerning such transactions would require a separate engagement for that purpose. In particular, we shall not advise as to any transaction in which you may participate in which your or our disclosure of its tax treatment or tax structure is limited by any person other than you, our client, unless we are separately engaged by you for that purpose.

4. **STAFFING.** Customarily, each client of Ballard Spahr is served by a Relationship Partner (a principal lawyer contact) and one or more Matter Billing Lawyers (a lawyer designated to oversee an individual matter that Ballard Spahr handles on your behalf). Subject to the Conflict Waiver, your work or parts of it may be performed by other lawyers and legal assistants at Ballard Spahr. Such delegation may be for the purpose of involving lawyers or legal assistants with special expertise in a given area or for the purpose of providing services on the most efficient and timely basis.

5. **TERMINATION OF ENGAGEMENT.** Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. Your termination of our services will not affect your responsibility for payment of legal services rendered and additional charges incurred before termination and in connection with an orderly transition of the matter. If permission for withdrawal is required by a court, we will apply for such permission and you agree to engage successor counsel to represent you.

We are subject to the rules of professional responsibility for the jurisdictions in which we practice, which list several types of conduct or circumstances that require or allow us to withdraw from representing a client, including for example: nonpayment of fees or costs, misrepresentation or failure to disclose material facts, action contrary to our advice, and conflict of interest with another client. We try to identify in advance and discuss with our client any situation which may lead to our withdrawal, and if withdrawal ever becomes necessary, we give the client written notice of our withdrawal.

6. **CONCLUSION OF REPRESENTATION.** Unless previously terminated, our representation will conclude upon our sending you our final invoice for services rendered in this matter.

7. **RETENTION AND DISPOSITION OF DOCUMENTS.** Following the termination of our representation or the conclusion of the matter, any otherwise nonpublic information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, your papers and

property and any final documents prepared on behalf of CCCFA during the engagement will be returned to you promptly upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained by Ballard Spahr. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, and credit and accounting records; and internal lawyers' work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. We reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

8. **POST-ENGAGEMENT ISSUES.** You are engaging Ballard Spahr to provide legal services in connection with the matter referred to in the accompanying engagement letter. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you engage us after completion of the matter to provide additional advice on issues arising from the matter, Ballard Spahr has no continuing obligation to advise you with respect to future legal developments.

9. **CLIENT RESPONSIBILITIES.** You agree to pay our invoices for services and expenses in a timely manner as provided in paragraph 5 of the Engagement Letter. In addition, you will be candid and cooperative with us and will keep us informed with complete and accurate factual information, documents and other communications relevant to the subject matter of our representation or otherwise reasonably requested by us. Because it is important that we are able to contact you at all times in order to consult with you regarding your representation, you will inform us, in writing, of any changes in the name, address, telephone number, contact person, email address, state of incorporation or other relevant changes regarding you or your business. Whenever we need your instructions or authorization in order to proceed with legal work on your behalf, we will contact you at the latest business address we have received from you.

You have agreed that our representation of you in the matter described in the engagement letter does not create an attorney client relationship between Ballard Spahr and other entities related to you, such as member entities. Accordingly, our representation of you in the matter identified in the engagement letter will not give rise to any conflict of interest in the event other clients of Ballard Spahr are adverse to other related entities.

AGREEMENT BY AND AMONG SILICON VALLEY CLEAN ENERGY AUTHORITY AND PFM FINANCIAL ADVISORS LLC PFM SWAP ADVISORS LLC

THIS AGREEMENT ("Agreement"), is entered into this [ ], by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, a joint powers authority ("SVCE") and PFM FINANCIAL ADVISORS LLC, a Delaware Limited Liability Company whose address is 555 W. 5th Street, Suite 3500, Los Angeles, CA 90013 ("PFMFA"), together with its affiliate, PFM Swap Advisors LLC whose address is 1735 Market Street, 42nd Floor, Philadelphia PA 19103 ("PFM Affiliate" or "PFMSA"). The parties shall be collectively referred to as the "Parties" and each individually as a "Party").

PFMFA and PFM Affiliate shall both be bound to the terms and conditions of this Agreement; provided, however, that each will provide its services pursuant to a separate scope of work ("Scope of Work"), included in Exhibit "A" to this Agreement. Collectively, PFMFA and PFM Affiliate shall be referred to throughout this Agreement as "Consultant".

RECITALS:

A. SVCE 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. SVCE and Consultant desire to enter into an agreement for Municipal Advisor and Swap Advisor services with Consultant upon the terms and conditions herein in connection with the proposed issuance of bonds by California Community Choice Financing Authority, a conduit joint powers authority ("Issuer") selected by SVCE to issue bonds (the "Bonds") as part of a prepayment transaction for the purchase of electricity.

NOW, THEREFORE, the Parties mutually agree as follows:

1. TERM

The term of this Agreement shall commence on August 15, 2023 and shall terminate on the earlier of (a) the third anniversary date of this Agreement, or (b) the date of issuance of the Bonds 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. Upon request of SVCE, Consultant or an affiliate of Consultant may agree to additional services to be provided by Consultant or an affiliate of Consultant, by a separate writing, including separate scope and compensation, between SVCE and Consultant or its respective affiliate. For the sake of clarity, any separate agreement between SVCE and an affiliate of Consultant shall not in any way be deemed an amendment or modification of this Agreement.

3. COMPENSATION TO CONSULTANT

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed One Hundred and Fifty Thousand and 00/100 dollars ($150,000.00) 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 SVCE 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 SVCE and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall be responsible to SVCE 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 SVCE 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 SVCE, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, SVCE may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

6. INDEPENDENT PARTIES

SVCE and Consultant intend that the relationship between them created by this Agreement is that of 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 SVCE to its employees, including but not limited to, unemployment insurance, workers' compensation

plans, vacation and sick leave are available from SVCE 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 SVCE and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of SVCE officials, from any and all liability, damages, claims, costs and expenses of any nature to the extent arising from Consultant's personnel practices. SVCE shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to SVCE from Consultant as a result of Consultant's failure to promptly pay to SVCE any reimbursement or indemnification arising under this section.

7. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF EBCE

SVCE is organized as Joint Powers Authorities in accordance with the Joint Powers Act of the State of California (Government Code Section 6500 et seq.) pursuant to Joint Powers Agreement dated December 1, 2016, and is a public entity separate from its constituent members. SVCE 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 SVCE'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

General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify SVCE and their elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and agents serving as independent contractors in the role of SVCE 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 (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 negligence or willful misconduct 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, but only to the extent of Consultant's liability, except for Liabilities arising from the sole negligence or willful misconduct

of the Indemnitees as determined by court decision or by the 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 Indemnitees for any and all legal expenses and costs incurred by Indemnitees 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 SVCE 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, the CGL shall also contain substantially the following statement: "Should any of the above insurance covered by this certificate be canceled or non-renewed before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to SVCE 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 SVCE and licensed to do insurance business in the State of California. Endorsements naming SVCE 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 its insurance for recovery. Consultant hereby grants to SVCE, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or SVCE with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against SVCE 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, SVCE 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. SVCE, and its members, officers, employees and volunteers shall be named as additional insureds under all insurance coverages, except any workers compensation, professional liability and cyber 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 SVCE 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, and to its best knowledge, 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. 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 position, 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 SVCE. 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 SVCE 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 SVCE 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 SVCE 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 SVCE in the same manner and to the same extent as Consultant is bound to SVCE 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 SVCE.

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 SVCE. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to SVCE 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 SVCE, and all publication rights are reserved to SVCE. Consultant may retain a copy of any Report furnished to SVCE pursuant to this Agreement.

B. All Reports prepared by Consultant may be used by SVCE 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 SVCE projects as SVCE deems appropriate in its sole discretion.

C. Consultant shall, at such time and in such form as SVCE 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 SVCE.

F. SVCE 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 SVCE 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 SVCE or its designees at all proper times, and gives SVCE 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 SVCE for all services required under this Agreement.

16. PARTY REPRESENTATIVES

The Chief Executive Officer of SVCE ("SVCE Representative") shall represent SVCE in all matters pertaining to the services to be performed under this Agreement. Michael Berwanger, Managing Director, PFM Financial Advisors LLC and George Hu, Director, PFM Swap Advisors LLC ("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 SVCE, unless disclosure is required by law or judicial or regulatory process. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from SVCE Representative or unless requested in writing by SVCE 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 SVCE. Response to a subpoena or court order shall not be considered "voluntary," provided, to the extent not legally

prohibited, Consultant gives SVCE notice of such court order or subpoena.

B. To the extent not legally prohibited, Consultant shall promptly notify SVCE 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 SVCE. SVCE may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to reasonably cooperate with SVCE and to provide SVCE with the opportunity to review any response to discovery requests provided by Consultant. However, SVCE's right to review any such response does not imply or mean the right by SVCE to control, direct or rewrite the response.

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

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 SVCE'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 330
Sunnyvale CA 94087
Attention: Chief Executive Officer

TO CONSULTANT:
PFM Financial Advisors LLC
555 W. 5th Street
Suite 3500
Los Angeles, CA 90013
Attn: Managing Director

With a copy to:
PFM Swap Advisors LLC
1735 Market Street, 42nd Floor
Philadelphia, PA 19103
Attn: George Hu

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 SVCE's written notice of default, and in addition to any other remedy available to SVCE by law, SVCE Representative may terminate the Agreement by giving Consultant written notice thereof, which shall be effective immediately. SVCE 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 SVCE's termination of this Agreement due to no fault or failure of performance by Consultant, and subject to the ultimate issuance of the Bonds, Consultant shall be paid for services satisfactorily performed up to the effective date of termination solely from the Bond proceeds. Upon termination, Consultant shall immediately deliver to SVCE any and all copies of studies, 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 SVCE. Consultant shall have no other claim against SVCE 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. SVCE, 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 SVCE 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 SVCE to do otherwise.

23. WAIVER

A waiver by SVCE 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 SVCE and Consultant.

25. AUTHORITY

The individual(s) executing this Agreement represent and warrant that they have the legal authority to do so on behalf of their respective 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. SVCE'S RIGHTS TO EMPLOY OTHER CONSULTANTS

SVCE 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 SVCE'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 SVCE from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. However, approval or payment by SVCE 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 SVCE for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

32. 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.

33. SUCCESSORS AND ASSIGNS

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

34. 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.

35. 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.

36. 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.

37. INFORMATION TO BE FURNISHED TO CONSULTANT

All information, data, reports, and records in the possession of SVCE or any third party necessary for carrying out any services to be performed under this Agreement ("Data") shall be furnished to Consultant. Consultant may rely on the Data in connection with its provision of the services under this Agreement and the provider thereof shall remain solely responsible for the adequacy, accuracy and completeness of such Data.

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

PFM FINANCIAL ADVISORS LLC
A Limited Liability Company

By:_____
Name: Michael Berwanger
Title: Managing Director
Date:

PFM SWAP ADVISORS LLC
A Limited Liability Company

By:_____
Name: George Hu
Title: Director
Date:

SILLICON VALLEY CLEAN
ENERGY AUTHORITY
A Joint Powers Authority

By:_____

Name: Girish Balachandran
Title: Chief Executive Officer
Date:

Exhibit A
Consultant Work Orders
(See Following Pages)

WORK ORDER #1

PFM FINANCIAL ADVISORS LLC

The terms and conditions of the Agreement between SVCE, PFMFA and PFMSA are incorporated into this Scope of Services by reference.

Working with PFMSA, PFMFA will provide the following portion of the Scope of Services:

PFM Financial Advisors LLC (as Municipal Advisor)

Scope of Services Transaction Services

- **PFM will take the lead role acting as Project Manager throughout the prepay bond financing process.**
- **Documentation and Planning**
  - Develop a financing plan in concert with SVCE staff which would include recommendations as to the timing and number of series of bonds to be issued.
  - Review transaction legal documentation provide suggestions, modifications and enhancements where appropriate and assist with the negotiation of terms with associated counterparties.
  - Coordinate with SVCE staff and other advisors as respects the furnishing of data for offering documents, it being specifically understood that PFM is not responsible for the inclusion or omission of any material in published offering documents
  - In coordination with the deal team, develop credit rating presentation and coordinate with SVCE the overall presentation to rating agencies.
  - Assistance with putting together the necessary disclosure related to SVCE (separately and together, if and where relevant) in the disclosure documents.
  - Arrange for the closing of the transaction including, but not limited, to bond printing, signing and final delivery of the bonds.
- **Financial Planning and Modelling**
  - Advise as to the various financing alternatives available to SVCE staff.
  - Develop alternatives related to debt transaction including evaluation of maturity schedule and cash flow requirements.
  - Assist SVCE in the procurement of ancillary services relating to debt issuance such as printing, trustee, paying agent, registrar, etc.
  - Analyze financial and economic factors to determine if the issuance of prepayment bonds is appropriate.

- Provide financial modeling services and comparables on deal pricing and deal economics.
- As applicable, advise SVCE on the condition of the bond market at the time of sale, including volume, timing considerations, competing offerings, and general economic considerations.
- Assist and advise SVCE in negotiations with investment banking groups regarding fees, pricing of the bonds and final terms of any security offering, and make recommendations regarding a proposed offering to obtain the most favorable financial terms based on existing market conditions.

FINANCIAL ADVISORY REQUIRED DISCLOSURES:

PFMFA is a registered municipal advisor with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If SVCE has designated PFMFA as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption"), then services provided pursuant to such designation shall be the services described in this Work Order #1, subject to any agreed upon limitations. Verification of independence (as is required under the IRMA exemption) shall be the responsibility of such third party seeking to rely on such IRMA exemption. PFMFA shall have the right to review and approve in advance any representation of its's role as IRMA to SVCE.

MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFMFA's Disclosure Statement delivered to SVCE prior to or together with this Agreement.

Team Members:

Michael Berwanger, Managing Director
James Carbone, SMC
Paul Matteo, SMC
Faisal Alif, Senior Analyst
Other personnel to be assigned as necessary

WORK ORDER #2

PFM SWAP ADVISORS LLC

The terms and conditions of the Agreement between SVCE, PFMFA and PFMSA are incorporated into this Scope of Services by reference.

Working with PFMFA, PFMSA will provide the following portion of the Scope of Services:

PFM Swap Advisors LLC (as Swap Advisor and QIR)
Scope of Services Transaction Services

- PFMSA will serve SVCE as Municipal Advisor and designated Qualified Independent Representative ("QIR") in the provision of general swap advisory services related to any swap-related communication, interaction or other discussion ("Swap Communication") between SVCE and Swap Dealers (as such term is defined by the Securities and Exchange Commission ("SEC") and the Commodity Futures Trading Commission ("CFTC")). PFMSA is obligated to comply with the applicable requirements of CFTC Regulation 17 CFR 23.450(b)(1) in providing QIR services to SVCE.

- As QIR to SVCE, PFMSA will make available qualified professionals to participate in discussions and other interactions with Swap Dealers as SVCE finds necessary or desirable. Additionally, PFMSA will assist SVCE with analysis of any proposals from Swap Dealers. PFMSA may assist SVCE with other swap related tasks such as helping write a swap policy or other related analysis upon SVCE's request. PFMSA will also assist SVCE, as needed, in completing the ISDA Dodd-Frank Protocols and other matters to comply with the regulatory requirements imposed under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- Analyze and model alternative hedge structures and provide price indications;
- Review and comment on all hedge documentation and business terms;
- Assist in counterparty selection and developing terms for a request for bids (if desired);
- Review competitive bids and make a recommendation for award or if so determined
- Negotiate the pricing terms and structure with the Counterparty(s);
- Coordinate the closing of the transaction.

SWAP ADVISORY REQUIRED DISCLOSURES

PFMSA agrees that it will not deal with itself or with any other affiliated company or individual in making purchases or sales of the swaps or any securities pursuant to this engagement, nor will it take a long or short position in securities subject to purchase or sale in connection with the

Swaps. PFMSA confirms that it has no interest in the purchase or sale of the Swaps other than as described in this Work Order.

MSRB Rules require that municipal advisors make written disclosures to its clients of all material conflicts of interest and certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFMSA's Disclosure Statement delivered to SVCE prior to or together with the Agreement.

PFMSA is a registered municipal advisor with the SEC and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. As of the date of the Agreement, SVCE has **not** designated PFMSA as its independent registered municipal advisor ("IRMA") for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the "IRMA exemption."). SVCE agrees not to represent that PFMSA is SVCE's IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, without PFMSA's prior written consent.

Team Members:

George Hu, Director
Other personnel to be assigned as necessary

Exhibit B
Schedule of Performance

Tasks will be performed at the direction of SVCE staff.

Exhibit C
Compensation

The compensation to be paid to Consultant under this Agreement, including the services provided by PFM Swap Advisors LLC, for all services described in Exhibit "A" and reimbursable expenses shall not exceed a total of One Hundred and Fifty Thousand and 00/100 dollars ($150,000.00), as set forth below. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to SVCE unless previously approved in writing by SVCE. Consultant compensation will be allocated between PFM Financial Advisors LLC and PFM Swap Advisors LLC based upon final known distribution of work between the two parties for their respective scopes of work.

Payment

All compensation to be paid to Consultant, including payment to PFM Swap Advisors LLC by SVCE under this Agreement shall be paid upon closing of the Bonds and shall be payable solely from the proceeds of the Bonds. In the event that the Bonds do not issue or close for any reason neither SVCE nor the Issuer shall owe any monies to Consultant for the services provided pursuant to this Agreement.

Reimbursable Expenses

In addition to fees for services, PFM will be reimbursed for necessary, reasonable out-of-pocket expenses incurred, including, but not limited to, travel, meals, lodging, telephone, mail, and other ordinary or extraordinary costs such as for graphics, printing, document production (including as required by a subpoena or other legal document or order), data processing and computer time which are incurred by PFM. Travel expenses must be authorized in advance in writing by SVCE. Data costs are estimated at $5,000.

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from SVCE Representative prior to commencement of any additional services. Consultant shall submit, at SVCE 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 claim.

Exhibit E
Confidentiality Requirements

Subject to the terms and conditions of the Agreement, current proprietary and confidential information of SVCE regarding customers of SVCE ("SVCE 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 SVCE 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) SVCE-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 SVCE 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 SVCE, 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 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 SVCE.

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, to the extent not legally prohibited, Consultant notifies SVCE promptly upon receipt thereof to allow SVCE to seek protective treatment for such Confidential Information.

6. Consultant shall immediately notify SVCE 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 SVCE finds that Consultant is engaged in a pattern or practice of accessing, storing, using, or disclosing Confidential Information in violation of this Agreement SVCE shall promptly cease all disclosures of Confidential Information to Consultant. Consultant further understands that if SVCE receives a customer complaint about Consultant's misuse of data or other violation of the Disclosure Provisions, SVCE 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 SVCE 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 SVCE 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 SVCE 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 SVCE's written request, and at SVCE's option, Consultant will either return to SVCE all tangible Confidential Information, including but not limited to all electronic files, documentation, notes, plans, drawings, and copies thereof, or will provide SVCE with written certification that all such tangible Confidential Information of SVCE has been destroyed; provided, however, the foregoing shall not include(i) such copies as Consultant is required to retain by law or regulation, (ii) copies automatically saved electronically as part of a computer disaster recovery or similar back- up system or internal document retention and business continuity policies and procedures, or (iii) materials prepared by Consultant or its advisors for its board of directors or any board committee or other applicable decision-making body to the extent such materials contain Confidential Information.

11. Consultant acknowledges that disclosure or misappropriation of any Confidential Information could cause irreparable harm to SVCE and/or SVCE Customers, the amount of which may be difficult to assess. Accordingly, Consultant hereby confirms that SVCE 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 SVCE, in law or equity.

12. In addition to all other remedies, Consultant shall indemnify and hold harmless SVCE, 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 SVCE requires Consultant cease performance of the purposes set forth in the Agreement, Consultant shall promptly return or destroy (with written notice to SVCE itemizing the materials destroyed) all Confidential Information then in its possession at the direction of SVCE, subject to Section 10 above. Notwithstanding the foregoing, the nondisclosure obligations of this Agreement shall survive any termination of this Agreement.

POWER SUPPLY CONTRACT

between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

SILICON VALLEY CLEAN ENERGY AUTHORITY

Dated as of [____], 2023

TABLE OF CONTENTS

Page

Article I Definitions 2

Section 1.1 Defined Terms 2

Section 1.2 Definitions; Interpretation 10

Article II Execution Date and Delivery Period; Nature of Energy Project 11

Section 2.1 Execution Date; Delivery Period 11

Section 2.2 Termination Due to Failure to Issue Bonds or Provide Minimum Discount 11

Section 2.3 Nature of Energy Project 11

Section 2.4 Pledge of this Agreement 11

Article III Sale and Purchase 11

Section 3.1 Sale and Purchase of Energy 11

Section 3.2 Payments 11

Section 3.3 No Obligation to Take Base Energy 12

Section 3.4 Reset Period Remarketing 12

Article IV Failure to Deliver or Take Energy 13

Article V Transmission and Delivery; Communications 14

Section 5.1 Delivery of Energy 14

Section 5.2 Scheduling 14

Section 5.3 Title and Risk of Loss 14

Section 5.4 PCC1 Product and Long-Term PCC1 Product 14

Section 5.5 Deliveries within CAISO or Another Balancing Authority 17

Section 5.6 Assigned Products 17

Article VI Partial Assignments of PPAs 17

Section 6.1 Future PPA Assignments 17

Section 6.2 Updates to Exhibits A-1 and A-2 17

Article VII Use of Energy 17

Section 7.1 Tax Exempt Status of the Bonds 17

Section 7.2 Priority Energy 18

Section 7.3 Remarketing Sales 18

Section 7.4 Qualifying Use 18

Section 7.5 Remediation 18

TABLE OF CONTENTS
(continued)

Page

Article VIII Representations and Warranties; Additional Covenants 19
Section 8.1 Representations and Warranties of the Parties 19
Section 8.2 Warranty of Title 21
Section 8.3 Disclaimer of Warranties 21
Section 8.4 Continuing Disclosure 21
Article IX Taxes 21
Article X Dispute Resolution 21
Section 10.1 Arbitration 21
Section 10.2 Judicial Reference. 22
Article XI Force Majeure 24
Section 11.1 Applicability of Force Majeure 24
Section 11.2 Settlement of Labor Disputes 24
Article XII Governmental Rules and Regulations 24
Section 12.1 Compliance with Laws 24
Section 12.2 Contests 25
Section 12.3 Defense of Agreement 25
Article XIII Assignment 25
Article XIV Payments 25
Section 14.1 Monthly Statements 25
Section 14.2 Payment 26
Section 14.3 Payment of Disputed Amounts; Correction of Index Price 26
Section 14.4 Late Payment 27
Section 14.5 Audit; Adjustments 27
Section 14.6 Netting; No Set-Off 28
Section 14.7 Source of Purchaser's Payments 28
Section 14.8 Rate Covenant 28
Section 14.9 Pledge of CCA Revenues 28
Section 14.10 Financial Responsibility 28
Article XV [Reserved] 29
Article XVI Notices 29
Article XVII Default; Remedies; Termination 29

TABLE OF CONTENTS
(continued)

Page

Section 17.1 Issuer Default 29
Section 17.2 Purchaser Default 29
Section 17.3 Remedies Upon Default 30
Section 17.4 Termination of Prepaid Agreement 31
Section 17.5 Limitation on Damages 32
Article XVIII Miscellaneous 32
Section 18.1 Indemnification Procedure 32
Section 18.2 Deliveries 33
Section 18.3 Entirety; Amendments 33
Section 18.4 Governing Law 33
Section 18.5 Non-Waiver 33
Section 18.6 Severability 33
Section 18.7 Exhibits 34
Section 18.8 Winding Up Arrangements 34
Section 18.9 Relationships of Parties 34
Section 18.10 Immunity 34
Section 18.11 Rates and Indices 34
Section 18.12 Limitation of Liability 34
Section 18.13 Counterparts 35
Section 18.14 Third Party Beneficiaries; Rights of Trustee 35
Section 18.15 Waiver of Defenses 35

Exhibits

Exhibit A-1 - Base Energy Hourly Quantities
Exhibit A-2 - EPS Energy Period Annual Quantity and Monthly Projected Quantity
Exhibit B - Notices
Exhibit C - Form of Remarketing Election Notice
Exhibit D - Form of Federal Tax Certificate
Exhibit E - Form of Opinion of Counsel to Purchaser
Exhibit F - Monthly Discount
Exhibit G - Form of Closing Certificate
Exhibit H - Form of Remediation Certificate

POWER SUPPLY CONTRACT

This Power Supply Contract (hereinafter "Agreement") is made and entered into as of [____], 2023 (the "Execution Date"), by and between California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) ("Issuer") and Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the Laws of the State of California ("Purchaser").

W I T N E S S E T H:

WHEREAS, Issuer has planned and developed a project to acquire long-term Energy supplies from Morgan Stanley Energy Structuring, L.L.C. ("MSES") pursuant to a Prepaid Energy Sales Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Prepaid Agreement") to meet a portion of the Energy supply requirements of Purchaser through an energy prepayment project (the "Energy Project"); and

WHEREAS, Issuer will finance the prepayment under the Prepaid Agreement, and the other costs of, the Energy Project by issuing the Bonds; and

WHEREAS, Purchaser is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code with authority to sell electricity to retail electric consumers within its service area; and

WHEREAS, Purchaser is agreeable to purchasing a portion of its Energy requirements from Issuer under the terms and conditions set forth in this Agreement and Issuer is agreeable to selling to Purchaser such supplies of Energy under the terms and conditions set forth in this Agreement; and

WHEREAS, concurrently with the execution of this Agreement, Purchaser has assigned to MSES certain Assigned Rights and Obligations, including the right to receive Assigned Product, which Assigned Product will be delivered to Issuer under the Prepaid Agreement and then resold by Issuer hereunder; and

WHEREAS, as a condition precedent to the effectiveness of the Parties' obligations under this Agreement, Issuer shall have entered into the Prepaid Agreement and shall have issued the Bonds.

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency

of which are hereby acknowledged, Issuer and Purchaser (the "Parties" hereto; each is a "Party") agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"Affiliate" means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, "control" of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

"Agreement" has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto and all amendments, supplements and modifications hereto and thereto.

"Annual Quantity" means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth on Exhibit A-2 (as such Exhibit A-2 may be updated from time to time in accordance with Section 6.2); provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate amount of any quantities of Base Energy required to be remarketed under this Agreement for any given Contract Year.

"Annual Refund" means the annual refund, if any, provided to Purchaser and calculated pursuant to the procedures specified in Section 3.2(c).

"Applicable Rating Agencies" means, at any given time, each Rating Agency then rating the Bonds.

"Assigned Delivery Point" has the meaning specified in the applicable Assignment Agreement.

"Assigned Energy" has the meaning specified in the applicable Assignment Agreement; provided that any Assigned Energy shall be EPS Compliant Energy as set forth in the Assignment Letter Agreement.

"Assigned Paygo Quantity" means any Assigned Products delivered under this Agreement in excess of the Annual Quantity for any Contract Year.

"Assigned Product" means, as applicable, PCC1 Product, Long-Term PCC1 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement.

"Assigned RECs" means any RECs to be delivered to MSCG or MSES pursuant to any Assigned Rights and Obligations.

"Assigned Rights and Obligations" means a portion of Purchaser's rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

"Assignment Agreement" means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

"Assignment Letter Agreement" means that certain Letter Agreement, dated as of the date hereof, by and among MSCG, MSES, Issuer and Purchaser.

"Available Discount" means, for each Reset Period, the amount, expressed in cents per MWh (rounded down to the nearest one-half cent), determined by the Calculation Agent pursuant to the Re-Pricing Agreement for such Reset Period. The Available Discount shall equal the sum of the Monthly Discount and any anticipated Annual Refunds for the applicable Reset Period.

"Balancing Authority" has the meaning specified in the CAISO Tariff.

"Base Energy" means Firm (LD) Energy.

"Billing Date" has the meaning specified in Section 14.1(b).

"Billing Statement" has the meaning specified in Section 14.1(b).

"Bond Closing Date" means the first date on which the Bonds are issued pursuant to the Bond Indenture.

"Bond Indenture" means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Issuer and the Trustee, as supplemented and amended from time to time in accordance with its terms, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Issuer and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Interest Rate Period.

"Bonds" means the bonds issued pursuant to the Bond Indenture.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks in either New York, New York or the State of California are authorized or required by Law to close, or (iv) any other day excluded pursuant to the Bond Indenture.

"CAISO" means California Independent System Operator or its successor.

"CAISO Tariff" means CAISO's FERC-approved tariff, as modified, amended or supplemented from time to time.

"Calculation Agent" has the meaning specified in the Re-Pricing Agreement.

"California Long-Term Contracting Requirements" means the long-term contracting requirement set forth in the Clean Energy and Pollution Reduction Act of 2015 (SB 350), California Public Utilities Code section 399.13(b), and CPUC Decision 17-06-026 and CPUC Decision 18-05-026, as may be modified by subsequent decision of the California Public Utilities Commission or by other Law.

"CCA Revenues" means all charges received for, and all other income and receipts derived by Purchaser from, the operation of its CCA System, including income derived from the sale of electric energy by its CCA System.

"CCA System" means Purchaser's community choice aggregation program that provides electric energy supply service to retail customers located with its service area.

"Claiming Party" has the meaning specified in Section 11.1.

"Claims" means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys' fees, experts' fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commercially Reasonable" or "Commercially Reasonable Efforts" means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

"Contract Price" means (i) with respect to Monthly Projected Quantities, (A) the Day-Ahead Market Price for each Hourly interval during the Initial EPS Energy Period and the Day-Ahead Ahead Average Price during any other EPS Energy Period, minus in each case (B) the Monthly Discount; and (ii) with respect to Monthly Excess Quantities and Assigned Paygo Quantities, the Day-Ahead Market Price during the Initial EPS Energy Period and the Day-Ahead Ahead Average Price during any other EPS Energy Period. For the avoidance of doubt, the Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

"Contract Quantity" means (i) with respect to Assigned Energy, the Annual Quantity of Assigned Energy set forth in Exhibit A-2 for each Contract Year of the Delivery Period; and (ii) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in Exhibit A-1 for any Month, as such Exhibits A-1 and A-2 shall be updated from time to time in accordance with Section 6.2.

"Contract Year" means each period of 12 Months from [____] until [____] during the Delivery Period.

"Day-Ahead Average Price" means, for any Assigned Energy after the Initial EPS Energy Period, (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month. As used in this definition, "Pricing Interval" means the unit of time for which CAISO establishes a separate price.

"Day-Ahead Market Price" means The Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

"Default Rate" means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the "Money Rates" section as the "Prime Rate" for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

"Delivery Hours" means each Hour commencing at 00:00 (PPT) on the first day of the Delivery Period, and each Hour thereafter during the Delivery Period.

"Delivery Period" means the period beginning on [____] and ending on [____]; provided that the Delivery Period shall end immediately upon the effective termination date of the Prepaid Agreement or early termination of this Agreement pursuant to Article XVII hereof.

"Delivery Point" means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy (as set forth in Exhibits A-1 and A-2).

"Energy" means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

"Energy Delivery Point" has the meaning specified in Exhibit A-1.

"Energy Project" has the meaning specified in the recitals.

"EPS" means California's Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

"EPS Compliant Energy" means Energy that Purchaser can contract for and purchase in compliance with EPS requirements that are applicable to Purchaser.

"EPS Energy Period" means the Initial EPS Energy Period and any subsequent EPS Energy Period established by a future assignment of a power purchase agreement consistent with the Assignment Letter Agreement.

"Execution Date" has the meaning specified in the preamble.

"Federal Tax Certificate" means the executed Federal Tax Certificate delivered by Purchaser in the form attached as Exhibit D.

"FERC" means the Federal Energy Regulatory Commission and any successor thereto.

"Firm (LD)" means, with respect to the obligation to deliver Energy, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure.

"Force Majeure" means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Purchaser's markets; (ii) Purchaser's inability economically to use or resell the Energy purchased hereunder; (iii) the loss or failure of Issuer's supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) Issuer's ability to sell the Energy at a higher price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such Party has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Delivery Point and (b) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; *provided*, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) any invocation of Force Majeure by MSES under the Prepaid Agreement shall constitute Force Majeure in respect of Issuer hereunder; (II) to the extent that (x) a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver or (y) a PPA Supplier otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure under this Agreement if it affected Issuer directly, then such event shall be deemed to constitute Force Majeure in respect of Issuer hereunder; and (III) to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Issuer until the earlier of (A) the commencement of an "Assignment Period" under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by MSCG consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs.

"Government Agency" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

"Hour" means each 60-minute period commencing at 00:00 PPT during the Delivery Period. The term "Hourly" shall be construed accordingly.

"Hourly Quantity" means, with respect to each Delivery Hour during the Delivery Period, the quantity (in MWh) of Base Energy set forth on Exhibit A-1 for the Month in which such Delivery Hour occurs (as such Exhibit A-1 may be updated from time to time in accordance with Section 6.2).

"Initial Assigned PPA" means that certain Master Power Purchase and Sale Agreement dated November 23, 2016, as amended on June 1, 2021, and the Carbon Free Product Confirmation thereunder dated as of [____] between the Initial PPA Supplier and Purchaser.

"Initial Assignment Agreement" means that certain Limited Assignment Agreement, dated as of the date hereof, by and among Purchaser, MSES and the Initial PPA Supplier.

"Initial EPS Energy Period" means the "Assignment Period" as defined in the Initial Assignment Agreement.

"Initial PPA Supplier" means MSCG.

"Initial Reset Period" means the period beginning on [____], 2024 and ending on [____], 2031.

"Interest Rate Period" has the meaning specified in the Bond Indenture.

"Issuer" has the meaning specified in the preamble.

"Issuer Default" has the meaning specified in Section 17.1.

"Law" means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time in the future.

"Long-Term PCC1 Product" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to MSCG, MSES or any successors thereto pursuant to any Assigned Rights and Obligations.

"Minimum Discount" means no less than $[____] per MWh for each Reset Period after the Initial Reset Period. Such amount is inclusive of any projected Annual Refund.

"Month" means, during the Delivery Period, a calendar month. The term "Monthly" shall be construed accordingly.

"Monthly Discount" means (i) for the Initial Reset Period, an amount (when taken together with any Annual Refund) that is not less than the Minimum Discount and is specified in Exhibit F, which Exhibit F shall be provided by Issuer to Purchaser on the Bond Closing Date, and

(ii) for each subsequent Reset Period, a portion of the Available Discount for such Reset Period determined by the Calculation Agent pursuant to the Re-Pricing Agreement and set forth in an updated Exhibit F provided by Issuer after such determination.

"Monthly Excess Quantity" means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered hereunder in such Month exceeds the Monthly Projected Quantity for such Month.

"Monthly Projected Quantity" means, with respect to each Month of the Delivery Period, the quantity (in MWh) of Assigned Product for such Month as set forth on Exhibit A-2 (as such Exhibit A-2 may be updated from time to time in accordance with Section 6.2).

"MSCG" means Morgan Stanley Capital Group Inc., a Delaware corporation.

"MSES" has the meaning specified in the recitals.

"Municipal Utility" means any Person that (a)(i) is a "governmental person" as defined in the implementing regulations under Section 141 of the Code and any successor provision and owns a natural gas or electric distribution utility (or provides Energy at wholesale to, or that is sold to entities that provide natural gas or Energy at wholesale to, governmental Persons that own such utilities) or (ii) is a community choice aggregator organized under the Laws of the State of California, and (b) agrees in writing to use the Energy purchased by it (or cause such as to be used) for a qualifying use as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii).

"MWh" means megawatt-hour.

"Non-Priority Energy" means Energy that is not Priority Energy.

"Participant Custodial Agreement" means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among Purchaser, Issuer, MSES, MSCG and the Participant Custodian.

"Participant Custodian" means The Bank of New York Mellon Trust Company, N.A., a national banking association.

"Party" has the meaning specified in the recitals.

"PCC1 Product" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, MSES or any successors thereto pursuant to any Assigned Rights and Obligations.

"Person" means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

"Portfolio Content Category 1" means any Renewable Energy Credit associated with the generation of electricity from an "Eligible Renewable Energy Resource" consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

"Potential Remarketing Event" has the meaning specified in Section 3.4(b).

"PPA Supplier" means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the terms of the Assignment Letter Agreement.

"PPT" means Pacific Prevailing Time.

"Prepaid Agreement" has the meaning specified in the recitals.

"Priority Energy" means the Contract Quantity to be purchased by Purchaser under this Agreement, together with Energy that Purchaser is obligated to take under a long-term agreement, which Energy either (i) has been purchased by Purchaser or a joint action agency in a prepayment transaction using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes, or (ii) is generated using capacity that was constructed using the proceeds of bonds, notes, or other obligations, the interest on which is excluded from gross income for federal income tax purposes (provided that, with respect to clause (ii), Priority Energy shall not include Energy that is generated using capacity that was wholly or partially financed through the monetization of renewable tax credits, whether such monetization is accomplished through a tax equity investment or otherwise, or that is generated from federally owned and operated hydroelectric facilities, including through the United States Army Corps of Engineers and the United States Bureau of Reclamation, and marketed by the Bonneville Power Administration or the Western Area Power Administration).

"Project Administration Fee" means the annual fee payable by Purchaser as described in Section 3.2(b).

"Project Participant" has the meaning specified in the Bond Indenture.

"Purchaser" has the meaning specified in the preamble.

"Purchaser Default" has the meaning specified in Section 17.2.

"Purchaser's Statement" has the meaning specified in Section 14.1(a).

"Qualifying Use Requirements" means, with respect to any Energy delivered under this Agreement, such Energy is used (i) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii), (ii) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code, and (iii) in a manner that is consistent with the Federal Tax Certificate attached as Exhibit D.

"Rating Agency" has the meaning specified in the Bond Indenture.

"Re-Pricing Agreement" means the Re-Pricing Agreement, dated as of the Bond Closing Date, by and between Issuer and MSES.

"Remarketing Election Deadline" means, for any Reset Period, the last date and time by which the Purchaser may provide a Remarketing Election Notice, which shall be 4:00 p.m.

PPT on the 10th day of the Month (or, if such day is not a Business Day, the next succeeding Business Day) prior to the first delivery Month of a Reset Period with respect to which a Potential Remarketing Event has occurred.

"Remarketing Election Notice" has the meaning specified in Section 3.4(b).

"Renewable Energy Credit" or "REC" has the meaning specified for "Renewable Energy Credit" in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

"Reset Period" means each "Reset Period" under the Re-Pricing Agreement.

"Reset Period Notice" has the meaning specified in Section 3.4(a).

"Schedule", "Scheduled" or "Scheduling" means the actions of Issuer, Purchaser and/or their designated representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

"Transmission Provider(s)" means any entity or entities transmitting or transporting Energy on behalf of Issuer or Purchaser to or from the Delivery Point.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and its successors as Trustee under the Bond Indenture.

"Voided Remarketing Election Notice" has the meaning specified in Section 3.4(b).

"WREGIS" means the Western Renewable Energy Generation Information System or its successor.

Section 1.2 Definitions; Interpretation. References to "Articles," "Sections," "Schedules" and "Exhibits" shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the scope of such general statement, term or matter. Any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

ARTICLE II
EXECUTION DATE AND DELIVERY PERIOD; NATURE OF ENERGY PROJECT

Section 2.1 Execution Date; Delivery Period. Unless this Agreement is terminated pursuant to Article XVII, delivery of Energy under this Agreement shall commence and continue for the Delivery Period.

Section 2.2 Termination Due to Failure to Issue Bonds or Provide Minimum Discount. Each Party shall have a right to terminate this Agreement with the effect that this Agreement shall be of no further force or effect and the Parties shall have no rights or obligations hereunder if the Bonds are not issued on or before the Prepayment Outside Date (as defined in the Prepaid Agreement).

Section 2.3 Nature of Energy Project. Purchaser acknowledges and agrees that Issuer will meet its obligations to provide Energy to Purchaser under this Agreement exclusively through its purchase of long-term supplies of Energy from MSES pursuant to the Energy Project and that Issuer is financing its purchase of such long-term supplies through the issuance of the Bonds.

Section 2.4 Pledge of this Agreement. Purchaser acknowledges and agrees that Issuer will pledge its right, title, and interest under this Agreement and the revenues to be received under this Agreement (other than revenues attributable to the Project Administration Fee) to secure Issuer's obligations under the Bond Indenture.

ARTICLE III
SALE AND PURCHASE

Section 3.1 Sale and Purchase of Energy. Issuer agrees to sell and deliver or cause to be delivered to Purchaser, and Purchaser agrees to purchase and take or cause to be taken from Issuer, in each case, on a Firm (LD) basis, the Contract Quantity of Energy pursuant to the terms and conditions set forth in this Agreement. The Parties acknowledge and agree that Issuer's delivery obligation for (i) Assigned Products will be measured on an annual basis and (ii) Base Energy will be measured on an Hourly basis, as reflected in the definition of Contract Quantity and further set forth in the terms of this Agreement.

Section 3.2 Payments.

(a) For each MWh of Assigned Product delivered to Purchaser, Purchaser shall pay Issuer the applicable Contract Price, provided that (x) Issuer shall owe a payment to Purchaser to the extent that the Contract Price for Energy delivered is negative and (y) Purchaser's payment of the Retained Payment Amount (as defined in the Participant Custodial Agreement) to the Participant Custodian consistent with the terms of the Participant Custodial Agreement shall satisfy Purchaser's obligations hereunder with respect to Monthly Excess Quantities and Assigned Paygo Quantities, as applicable.

(b) Issuer shall bill and Purchaser shall pay in January of each year during the Delivery Period a "Project Administration Fee" equal to the result of $[81,000.00] minus the balance of the Administrative Fee Fund (as defined in the Bond Indenture) as of January 1 of such year.

(c) During the term of this Agreement, promptly following completion of the annual audit of Issuer's financial statements at the end of each fiscal year (currently the twelve-month period ending December 31), Issuer shall compare its revenues (as determined in accordance with the Bond Indenture) and expenses under the Energy Project for that fiscal year. If this annual comparison demonstrates that such revenues exceeded such expenses during the applicable fiscal year and there are amounts on deposit in the fund established by the Bond Indenture available for such purpose, then Issuer shall make refunds to Purchaser in the amount available after making allowances for any necessary and appropriate reserves and contingencies (including but not limited to amounts deemed reasonably necessary by Issuer to fund any working capital reserve and to reserve or account for unfunded liabilities, including future sinking fund or other principal amortization of the Bonds. As of the Execution Date, the projected Annual Refund for the Initial Reset Period is $[____] per MWh.

Section 3.3 No Obligation to Take Base Energy. Notwithstanding anything to the contrary in this Agreement, Purchaser shall not be required to purchase and receive any Base Energy hereunder, and Issuer shall cause MSES to remarket any portion of the Contract Quantity that is Base Energy pursuant to the provisions of Exhibit C to the Prepaid Agreement.

Section 3.4 Reset Period Remarketing.

(a) Reset Period Notice. For each Reset Period, Issuer shall provide to Purchaser, at least ten (10) days prior to the Remarketing Election Deadline, formal written notice setting forth (i) the duration of such Reset Period, (ii) the Estimated Available Discount (as defined in the Re-Pricing Agreement) for such Reset Period, and (iii) the applicable Remarketing Election Deadline (a "Reset Period Notice"). Issuer may thereafter update such notice at any time prior to the Remarketing Election Deadline and may extend the Remarketing Election Deadline in its sole discretion in any such update.

(b) Remarketing Election. If the Reset Period Notice (or any update thereto) indicates that the Available Discount in such notice is not at least equal to the Minimum Discount for that Reset Period, then: (i) a "Potential Remarketing Event" shall be deemed to exist, and (ii) Purchaser may, not later than the Remarketing Election Deadline, issue a written notice in the form attached hereto as Exhibit C (a "Remarketing Election Notice") to Issuer, MSES and the Trustee electing for all of Purchaser's Energy that would otherwise be delivered hereunder to be remarketed during the applicable Reset Period; *provided*, however, if the actual Available Discount, as finally determined under the Re-Pricing Agreement, is equal to or greater than the Minimum Discount, then Issuer may, in its sole discretion, elect by written notice to Purchaser to treat such Remarketing Election Notice as void (a "Voided Remarketing Election Notice"). For the avoidance of doubt, in the event that Purchaser issues a Remarketing Election Notice (other than a Voided Remarketing Notice), any rights and obligations assigned to MSCG under the Initial Assigned PPA or a subsequent Assignment Agreement including, without limitation, the right to receive Assigned Energy, shall revert to Purchaser as of the end of the Initial Reset Period or the then-current Reset Period, as applicable.

(c) Final Determination of Available Discount. The Parties acknowledge and agree that the final Available Discount for any Reset Period following the Initial Reset Period will be determined on the applicable Re-Pricing Date (as defined in the Re-Pricing Agreement), and

that such Available Discount may differ from the estimate or estimates of such Available Discount provided to Purchaser prior to the applicable Remarketing Election Deadline. Accordingly, the Parties agree that:

(i) the Available Discount for any Reset Period will not be less than the Minimum Discount applicable to such Reset Period, unless Issuer has provided notice of a Potential Remarketing Event to Purchaser in accordance with Section 3.4(b); and

(ii) if Purchaser receives notice of a Potential Remarketing Event and has not provided a Remarketing Election Notice prior to the applicable Remarketing Election Deadline, Purchaser shall be deemed to have elected to continue to purchase and receive its Contract Quantity at a Contract Price that reflects the Monthly Discount portion of the Available Discount as finally determined on the applicable Re-Pricing Date, plus Purchaser's right to its share of Annual Refunds, if any, and all delivery and purchase obligations under this Agreement shall continue in full force and effect for the applicable Reset Period.

(d) Resumption of Deliveries. Notwithstanding the issuance of any Remarketing Election Notice for a Reset Period, Purchaser will (i) remain obligated to purchase the Contract Quantities hereunder for each subsequent Reset Period, unless Purchaser issues a new valid Remarketing Election Notice (other than a Voided Remarketing Election Notice) for any such Reset Period in accordance with Section 3.4(b) and (ii) not make any new commitment to purchase Priority Energy during such Reset Period to the extent any such commitment could reasonably be expected to cause, during any portion of the Delivery Period after such Reset Period, Purchaser's aggregate obligations to purchase Priority Energy (including its obligation to purchase Priority Energy hereunder) to exceed Purchaser's expected aggregate requirements for Energy that will be used (A) for a "qualifying use" as defined in U.S. Treas. Reg. § 1.148-1(e)(2)(iii) and (B) in a manner that will not result in any "private business use" within the meaning of Section 141 of the Code.

(e) Reduction of Contract Quantity. The Parties recognize and agree that the Contract Quantity may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, Issuer and the Calculation Agent determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) Issuer will notify Purchaser, (B) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (C) the Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

ARTICLE IV
FAILURE TO DELIVER OR TAKE ENERGY

Notwithstanding anything herein to the contrary, neither Purchaser nor Issuer shall have any liability or other obligation to one another for any failure to Schedule, take, or deliver Assigned Product.

ARTICLE V
TRANSMISSION AND DELIVERY; COMMUNICATIONS

Section 5.1 Delivery of Energy. All Assigned Energy delivered under this Agreement shall be Scheduled at the applicable Assigned Delivery Point and in accordance with the terms of the applicable Assignment Agreement. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement. Except as set forth in the two foregoing sentences, Purchaser and Issuer shall have no liability or obligations under this Article V with respect to Assigned Product.

Section 5.2 Scheduling. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Section 5.3 Title and Risk of Loss. Title to the Energy delivered under this Agreement and risk of loss shall pass from Issuer to Purchaser at the Assigned Delivery Point. The transfer of title and risk of loss for all Assigned Product other than Assigned Energy shall be in accordance with the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with WREGIS.

Section 5.4 PCC1 Product and Long-Term PCC1 Product. To the extent that any Assigned Product is PCC1 Product or Long-Term PCC1 Product, the following provisions apply:

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009]**. As used above, "Seller" means "Issuer", Buyer means "Purchaser", and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned Agreement.

(b) Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-**

025]. As used above, "Seller" means "Issuer", Buyer means "Purchaser", and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned Agreement.

(c) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. **[STC REC-2, Non-modifiable. D.11-01-025].** As used above, "Seller" means "Issuer", Buyer means "Purchaser", and any other capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned Agreement.

(d) Governing Law. This Agreement 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. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**

(e) Issuer Representations and Warranties.

Issuer represents and warrants:

(i) Issuer has the right to sell the Assigned Product from the Applicable Project;

(ii) Issuer has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Purchaser to any other person or entity;

(iii) the Energy component of the Assigned Product produced by the Applicable Project and purchased by Issuer for resale to Purchaser hereunder is not being sold by Issuer back to the Applicable Project or PPA Supplier;

(iv) Assigned Energy and Assigned RECs to be purchased and sold pursuant to this Agreement are not committed to another party;

(v) The Assigned Product is free and clear of all liens or other encumbrances;

(vi) Issuer will deliver to Purchaser all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1 Product in compliance with the California Long-Term Contracting Requirements, if applicable

(vii) The Assigned Product supplied to Purchaser under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten years or more in length, or otherwise in compliance with the California Long Term Contracting Requirements; and

(viii) Issuer will cooperate and work with Purchaser, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as a Portfolio Content Category 1 Product as set forth in California Public Utilities Code Section 399.16(b)(1) or, if applicable, or compliance with the California Long-Term Contracting Requirements.

Issuer further represents and warrants to Purchaser that, to the extent that the Product sold by Issuer is a resale of part or all of a contract between Issuer and one or more third parties, Issuer represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below during the Assignment Period and throughout the generation period:

(i) The original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1);

(ii) This Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;

(iii) The electricity transferred by this Agreement is transferred to Purchaser in real time; and

(iv) If the Applicable Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

(f) Subsequent Changes in Law. In the event that the qualifications or requirements of the RPS program, PCC1 Product or the California Long-Term Contracting Requirements change, Issuer shall take commercially reasonable actions to meet the amended qualifications or requirements of the RPS Law, PCC1 Product or the California Long-Term Contracting Requirements but will not be required to incur any unreimbursed costs to comply with the RPS Law, PCC1 or the California Long- Term Contracting Requirements, collectively.

(g) Limitations. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree as follows:

(i) Issuer has relied exclusively upon the representations and warranties of each respective seller set forth in the Assigned Agreements in making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;

(ii) MSES has agreed under the Prepaid Agreement to terminate or cause MSCG to terminate the applicable Assignment Period in the event that any representation or warranty in this Section 5.4 proves to be incorrect in any respect; and

(iii) Purchaser agrees that its sole recourse for any breach of the provisions of this Section 5.4 shall be the termination of the applicable Assignment Period and Purchaser shall have no other recourse against Issuer or remedies under this Agreement.

Section 5.5 Deliveries within CAISO or Another Balancing Authority. The Parties acknowledge that Energy delivered by Issuer at a Delivery Point within CAISO or another Balancing Authority will be delivered in accordance with the CAISO Tariff and rules of the Balancing Authority as applicable. Scheduling such Energy in accordance with the requirements of the applicable Energy into the applicable Balancing Authority shall constitute delivery of such Energy to Purchaser hereunder.

Section 5.6 Assigned Products. Notwithstanding anything to the contrary herein, the Parties shall have no liability under this Article V with respect to any Assigned Products.

ARTICLE VI
PARTIAL ASSIGNMENTS OF PPAS

Section 6.1 Future PPA Assignments. In connection with the expiration or termination of an EPS Energy Period, each of the Parties agrees to satisfy its obligations under the Assignment Letter Agreement, including but not limited to (a) Purchaser's obligation to exercise Commercially Reasonable Efforts to assign a portion of Purchaser's rights and obligations under a power purchase agreement under which Project Participant is purchasing EPS Compliant Energy to MSCG or MSES pursuant to an Assignment Agreement and (b) the Parties' obligations to cooperate in good faith with MSCG and MSES with respect to any proposed assignments.

Section 6.2 Updates to Exhibits A-1 and A-2.

(a) To the extent that an EPS Energy Period terminates or expires and Assigned Energy is not available for delivery immediately following (i) the end of the period for which Force Majeure is deemed to occur in the event of an early termination or (ii) the expiration of an EPS Energy Period, the Parties shall update (i) Exhibit A-1 to reflect an increase in the Hourly Quantities and (ii) Exhibit A-2 to reflect a decrease in the Monthly Quantities thereunder, in each case, in an amount equal to the Assigned Energy associated with the EPS Energy Period that terminated or expired.

(b) In connection with the execution of any subsequent Assignment Agreement, the Parties shall update Exhibits A-1 and A-2 to reflect any changes in the Hourly Quantities of Base Energy and Monthly Quantities of Assigned Energy and any other changes in connection therewith.

ARTICLE VII
USE OF ENERGY

Section 7.1 Tax Exempt Status of the Bonds. Purchaser acknowledges that the Bonds will be issued with the intention that the interest thereon will be exempt from federal taxes under Section 103 of the Code. Accordingly, Purchaser agrees that it will (a) provide such information with respect to its CCA System as may be requested by Issuer in order to establish the tax-exempt

status of the Bonds, and (b) act in accordance with such written instructions as Issuer may provide from time to time in order to maintain the tax-exempt status of the Bonds. Purchaser further agrees that it will not at any time take any action, or fail to take any action, that would adversely affect the tax-exempt status of the Bonds.

Section 7.2 Priority Energy. Subject to Section 7.5(a), Purchaser agrees to take the Contract Quantities to be delivered under this Agreement (a) in priority over and in preference to all Non-Priority Energy; and (b) on at least a pari passu and non-discriminatory basis with other Priority Energy.

Section 7.3 Remarketing Sales .

(a) Remarketing of Assigned Product. If notwithstanding Purchaser's compliance with Section 7.1, a quantity of Assigned Product less than the Annual Quantity is delivered hereunder in any Contract Year for any reason other than Force Majeure, then MSCG shall be deemed to remarket such undelivered quantity of Assigned Product consistent with Section 5(a) of Exhibit C to the Prepaid Agreement. For the avoidance of doubt, Purchaser will not have any payment obligation with respect to Assigned Energy that is remarketed pursuant to the foregoing sentence.

(b) Remarketing of Base Energy. Consistent with Section 3.3, to the extent any portion of the Contract Quantity is Base Energy, Issuer shall cause MSES to remarket or purchase such Energy for the account of MSES under the remarketing provisions of the Prepaid Agreement, and Issuer shall credit against the amount owed by Purchaser for such Contract Quantities the amounts received from MSES for such remarketing services, less all directly incurred costs or expenses, including but not limited to remarketing administrative charges paid to MSES under the Prepaid Agreement, but in no event shall the amount of such credit be more than the Contract Price. For the avoidance of doubt, Purchaser will not have any payment obligation with respect to Base Energy that is remarketed pursuant to the foregoing sentence.

(c) MSES Remarketing Fees. Purchaser shall not in any case have an obligation to make a payment to Issuer with respect to any Remarketing Fee (as defined in the Prepaid Agreement) charged by MSES under the Prepaid Agreement

Section 7.4 Qualifying Use. Subject to Section 7.5, Purchaser agrees that, without limiting Purchaser's other obligations under this Article VII, it will use all of the Energy purchased under this Agreement in compliance with the Qualifying Use Requirements. Purchaser agrees that it will provide such additional information, records and certificates as Issuer may reasonably request to confirm Purchaser's compliance with this Section 7.4.

Section 7.5 Remediation. To the extent that (a) all or a portion of the Contract Quantity is remarketed under Section 7.3(a) or Section 7.3(b), (b) Purchaser has exercised Commercially Reasonable Efforts (as determined by Special Tax Counsel (as defined in the Bond Indenture)) to obtain EPS Compliant Energy for delivery hereunder consistent with the Assignment Letter Agreement and (c) Purchaser is not otherwise in default under this Agreement, then:

(a) MSES shall be obligated under the remarketing provisions of the Prepaid Agreement to purchase the remarketed Energy for its own account at the Day-Ahead Market Price

(the proceeds of any such purchases, "Disqualified Remarketing Proceeds"), which Disqualified Remarketing Proceeds are for the benefit of Purchaser in that such proceeds reduce its payment obligations hereunder;

(b) Purchaser shall (i) exercise Commercially Reasonable Efforts to use an amount equivalent to such Disqualified Remarketing Proceeds to purchase Non-Priority Energy and use such Non-Priority Energy in compliance with the Qualifying Use Requirements in order to remediate such Disqualified Remarketing Proceeds and (ii) apply its purchases of Non-Priority Energy to remediate Disqualified Remarketing Proceeds under this Agreement prior to remediating such proceeds under any other contract that provides for the purchase of Priority Energy;

(c) in order to track compliance with Purchaser's obligations under Section 7.5(b) above, Purchaser shall deliver a Remediation Certificate in the form of Exhibit H hereto to Issuer and MSES by the tenth day of the Month subsequent to any relevant Non-Priority Energy purchases (which may include purchases of Energy from CAISO to the extent such Energy is used in compliance with the Qualifying Use Requirements);

(d) for Disqualified Remarketing Proceeds remediated under this Section 7.5, Issuer shall pay Purchaser the Monthly Discount associated with such Disqualified Remarketing Proceeds on the last Business Day of the Month following the Month in which Purchaser provides a certificate under clause (c) evidencing such remediation; and

(e) to the extent any Disqualified Remarketing Proceeds are not remediated within twelve Months of the date on which such proceeds were received by Issuer, then MSES shall be obligated under the Prepaid Agreement to exercise Commercially Reasonable Efforts to remediate such Disqualified Remarketing Proceeds under the Prepaid Agreement and Purchaser's ability to remediate such remarketing proceeds shall be subject to MSES's successful remediation of such proceeds through sales to other purchaser(s);

provided that, for the avoidance of doubt, to the extent Special Tax Counsel (as defined in the Bond Indenture) determines at any time that Purchaser has failed to exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for delivery hereunder consistent with the Assignment Letter Agreement, then Purchaser shall not be entitled to remediate any Disqualified Remarketing Proceeds related to the resulting remarketing of Base Energy by MSES.

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES; ADDITIONAL COVENANTS

Section 8.1 Representations and Warranties of the Parties. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) For Issuer as the representing Party, Issuer is a is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code;

(b) For Purchaser as the representing Party, Purchaser is a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code and a community choice aggregator pursuant to the provisions of Section 366.2 of the California Public Utilities Code, duly organized and validly existing under the Laws of the State of California;

(c) it has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement;

(d) there is no litigation, action, suit, proceeding or investigation pending or, to the best of such Party's knowledge, threatened, before or by any Government Agency, which could reasonably be expected to materially and adversely affect the performance by such Party of its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(e) the execution, delivery and performance of this Agreement by such Party has been duly authorized by all necessary action on the part of such Party and does not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(f) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(g) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, decree or other legal or regulatory determination applicable to it;

(h) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law or ordinance applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Issuer, the lien of the Bond Indenture;

(i) to the best of the knowledge and belief of such Party, no consent, approval, order or authorization of, or registration, declaration or filing with, or giving of notice to, obtaining of any license or permit from, or taking of any other action with respect to, any Government Agency is required in connection with the valid authorization, execution, delivery and performance

by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those that have been obtained; and

(j) it enters this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Warranty of Title. Issuer warrants that it will have the right to convey and will transfer good and merchantable title to all Energy sold under this Agreement and delivered by it to Purchaser, free and clear of all liens, encumbrances, and claims.

Section 8.3 Disclaimer of Warranties. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY ISSUER IN THIS ARTICLE VIII, ISSUER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 8.4 Continuing Disclosure. Purchaser agrees to provide to Issuer: (a) such financial and operating information as may be requested by Issuer including its most recent audited financial statements for use in Issuer's offering documents for the Bonds; and (b) annual updates to such information and statements to enable Issuer to comply with its continuing disclosure undertakings under Rule 15(c)2-12 of the United States Securities and Exchange Commission. Failure by Purchaser to comply with its agreement to provide such annual updates shall not be a default under this Agreement, but any such failure shall entitle Issuer or an owner of the Bonds to take such actions and to initiate such proceedings as may be necessary and appropriate to cause Purchaser to comply with such agreement, including without limitation the remedies of mandamus and specific performance.

ARTICLE IX
TAXES

Issuer shall (i) be responsible for all ad valorem, excise and other taxes assessed with respect to Energy delivered pursuant to this Agreement upstream of the Delivery Point, and (ii) indemnify Purchaser and its Affiliates for any such taxes paid by Purchaser or its Affiliates. Purchaser shall (i) be responsible for all such taxes assessed at or downstream of the Delivery Point, and (ii) indemnify Issuer and its Affiliates for any such taxes paid by Issuer or its Affiliates.

ARTICLE X
DISPUTE RESOLUTION

Section 10.1 Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures. Within 15 days after the commencement of arbitration, each of the Parties shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "chairperson") within 30 days of the commencement of the arbitration. If either Party is unable or fails to select one person to act

as arbitrator, such arbitrator shall be appointed by JAMS. If the Party-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by either Party or have any direct pecuniary interest in either Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by each of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party, if any, the costs and attorneys' fees reasonably incurred in seeking to enforce the application of this Section 10.1 and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 10.1, any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

Section 10.2 Judicial Reference.

(a) Judicial Reference. Without limiting the provisions in Section 10.1, if Section 10.1 is ineffective or unenforceable, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "Dispute") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections (a "Reference Proceeding"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 10.2(b).

(b) Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "Disputing Party") shall provide the other Party (the "Responding Party") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "Notice of Dispute"). Within 10 days after receiving the Notice of Dispute, the Responding Party shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "Dispute Response"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by mutual agreement within 60 days after receipt of the Dispute Response, (the "Negotiation Period"), then either Party may provide to the other Party

written notice of intent for judicial reference (the "Impasse Notice") in accordance with the further provisions of this Section 10.2.

(c) Applicability; Selection of Referees.

(i) The Party that provides the Impasse Notice shall nominate one (1) referee at the same time it provides the Impasse Notice. The other Party shall nominate one referee within 10 days of receiving the Impasse Notice. The two (2) referees (the "Party-Appointed Referees") shall appoint a third referee (the "Third Referee", together with the Party-Appointed Referees, the "Referees"). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least 10 years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of either Party and of the other referees and not employed by any of the Parties in any prior matter.

(ii) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the "Court"), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each Party shall have one (1) peremptory challenge to the referee selected by the Court.

(d) Discovery; Proceedings.

(i) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(ii) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(iii) Any matter before the Referees shall be governed by the substantive law of California, its Code of Civil Procedure, Rules of Court, and Evidence Code, except as otherwise specifically agreed by the Parties and approved by the Referees. Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the

Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(iv) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

(e) Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(f) Expenses. Each Party shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between the Parties.

ARTICLE XI
FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall mitigate the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party's non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

ARTICLE XII
GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; *provided*, however, that nothing herein shall be construed to

restrict or limit either Party's right to object to or contest any such Law, or its application to this Agreement or the transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance of this Agreement by either Party.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would otherwise materially affect the rights or obligations of the Parties under this Agreement.

ARTICLE XIII
ASSIGNMENT

The terms and provisions of this Agreement shall extend to and be binding upon the Parties and their respective successors, assigns, and legal representatives; *provided*, however, that, subject to Section 18.14, neither Party may assign this Agreement or its rights and interests, in whole or in part, under this Agreement without the prior written consent of the other Party. Prior to assigning this Agreement, Purchaser shall deliver to Issuer (i) written confirmation from each of the Applicable Rating Agencies, *provided* that such agency has rated and continues to rate the Bonds, that the assignment will not result in a reduction, qualification, or withdrawal of the then-current ratings assigned by the Applicable Rating Agencies to the Bonds; or (ii) written confirmation from each of the Applicable Rating Agencies, that the assignee has an outstanding long-term senior, unsecured, unenhanced debt rating equivalent to or higher than the ratings assigned by the Applicable Rating Agencies to the Bonds. Whenever an assignment or a transfer of a Party's interest in this Agreement is requested to be made with the written consent of the other Party, the assigning or transferring Party's assignee or transferee shall expressly agree to assume, in writing, the duties and obligations under this Agreement of the assigning or transferring Party. Upon the agreement of a Party to any such assignment or transfer, the assigning or transferring Party shall furnish or cause to be furnished to the other Party a true and correct copy of such assignment or transfer and assumption of duties and obligations.

ARTICLE XIV
PAYMENTS

Section 14.1 Monthly Statements.

(a) No later than the 5th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the

Delivery Period, Purchaser shall deliver to Issuer a statement (a "Purchaser's Statement") listing any other amounts due to Purchaser in connection with this Agreement with respect to the prior Month(s).

(b) No later than the 10th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period (the "Billing Date"), Issuer shall deliver a statement (a "Billing Statement") to Purchaser indicating (i) the total amount due to Issuer for Energy delivered in the prior Month, (ii) any other amounts due to Issuer or Purchaser in connection with this Agreement with respect to the prior Month(s), and (iii) the net amount due to Issuer or Purchaser; provided that invoicing for Monthly Excess Quantities and Assigned Paygo Quantities shall occur under the Participant Custodial Agreement. Additionally, if a Participant Monthly Statement (as defined in the Participant Custodial Agreement) for an Assigned PPA (as defined in the Participant Custodial Agreement) has not been delivered by the 10th day of the Month following deliveries, Issuer shall provisionally prepare or cause to be prepared a Billing Statement for this Agreement that assumes all of the Monthly Projected Quantities were delivered under the applicable Assigned PPA for such Month, and any subsequent resettlements required with respect thereto shall occur under the Participant Custodial Agreement.

(c) Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing as such requesting Party may reasonably request.

Section 14.2 Payment.

(a) If the Billing Statement indicates an amount due from Purchaser, then Purchaser shall remit such amount to the Trustee for the benefit of the Issuer by wire transfer (pursuant to the Trustee's instructions for amounts due under this Agreement, provided that amounts due from Purchaser with respect to Monthly Excess Quantities and Assigned Paygo Quantities, as applicable, shall be paid pursuant to the terms of the Participant Custodial Agreement), in immediately available funds, on or before the 20th day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the preceding Business Day. If the Billing Statement indicates an amount due from Issuer, then Issuer shall remit such amount to Purchaser by wire transfer (pursuant to Purchaser's instructions), in immediately available funds, on or before the 28th day of the Month following the most recent Month to which such Billing Statement relates, or if such day is not a Business Day, the following Business Day.

(b) If Purchaser fails to issue a Purchaser's Statement with respect to any Month, Issuer shall not be required to estimate any amounts due to Purchaser for such Month, provided that Purchaser may include any such amount on subsequent Purchaser's Statements issued within the next sixty (60) days. The sixty (60) day deadline in this subsection (b) replaces the two (2) year deadline in Section 14.5(b) with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts; Correction of Index Price.

(a) If Purchaser disputes any amounts included in the Issuer's Billing Statement, Purchaser shall (except in the case of manifest error) nonetheless pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of set-off, counterclaim, recoupment or other defenses to payment that Purchaser may have; *provided*, however, that Purchaser shall have the right, after payment, to dispute any amounts included in a Billing Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5. If Issuer disputes any amounts included in the Purchaser's Statement, Issuer may withhold payment to the extent of the disputed amount; *provided*, however, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

(b) If a value published for any rate or index used or to be used in this Agreement is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within 30 days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than 30 days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than three Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Agreement, to the other Party that amount, together with interest on that amount at the Default Rate for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

Section 14.4 Late Payment. If Purchaser fails to remit the full amount payable within one Business Day of when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Each Purchaser's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Purchaser's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Energy delivery.

(c) All retroactive adjustments shall be paid in full by the Party owing payment within thirty (30) days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such

adjustments at law or in equity. Retroactive adjustments for payments made based on an incorrect Billing Statement shall bear interest at the Default Rate from the date such payment was made.

Section 14.6 Netting; No Set-Off. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, payment for all amounts set forth in a Billing Statement provided to Purchaser shall be made without set-off or counterclaim of any kind.

Section 14.7 Source of Purchaser's Payments. Purchaser covenants and agrees to make payments due hereunder from CCA Revenues, and only from such CCA Revenues, as an operating expense of its CCA System; *provided*, however, that Purchaser may apply any legally available monies to the payment of amounts due hereunder.

Section 14.8 Rate Covenant. Purchaser hereby covenants and agrees that it will establish, fix, prescribe, maintain, and collect rates, fees, and charges from the customers of its CCA System so as to provide CCA Revenues sufficient to enable Purchaser to pay any other amounts legally payable from CCA Revenues, and to maintain any required reserves for Purchaser's CCA System. Purchaser further covenants and agrees that it shall not furnish or supply Energy services free of charge to any Person, except any such service free of charge that Purchaser is supplying on the date hereof as has been specifically identified by Purchaser to Issuer in writing, and it shall promptly enforce the payment of any and all accounts owing to Purchaser for the sale of Energy to its customers. Notwithstanding anything herein to the contrary, Purchaser shall not be obligated to make any payments hereunder except from CCA Revenues.

Section 14.9 Pledge of CCA Revenues. Purchaser shall not grant any lien on or security interest in, or otherwise pledge or encumber, the CCA Revenues if the terms or effect of such lien, pledge or other encumbrance results in such lien, pledge or other encumbrance having priority over the obligations of Purchaser to pay the Contract Price, which obligations constitute operating expenses of Purchaser.

Section 14.10 Financial Responsibility. In the event the Issuer receives notice from MSES pursuant to Section 2.12 of the Receivables Purchase Provisions that it requires adequate assurance of performance from the Issuer, Issuer shall provide notice thereof to Purchaser and Purchaser shall (a) notify the Issuer of its agreement to provide such adequate assurance within 48 Hours but at least one Business Day of Purchaser's receipt of such notice and (b) provide such adequate assurance to Issuer within 72 Hours but at least two Business Days of Purchaser's receipt of such notice. Adequate assurance shall mean sufficient security in the form and for a term reasonably specified by MSES pursuant to Section 2.12 of the Receivables Purchase Provisions, including but not limited to a standby irrevocable letter of credit, a prepayment, a deposit to an escrow account, or a performance bond or guaranty by a creditworthy entity. In the event Issuer is entitled to demand adequate assurance of performance under this Section 14.10, Issuer may demand at a minimum a prepayment by Purchaser of an amount equal to (i) the amount owed by Purchaser with respect to all Energy delivered by Issuer to Purchaser as of the date of the demand for adequate assurance of performance, plus (ii) the amount, as determined and adjusted from time to time by Issuer (with the input of MSES pursuant to the Receivables Purchase Provisions

(as defined in the Bond Indenture)) in a Commercially Reasonable manner, expected to be owed by Purchaser with respect to the Energy to be delivered by Issuer to Purchaser during the remainder of the then-current Month and the following Month. The Parties agree that in the event Purchaser fails to provide such adequate assurance as demanded, Issuer shall have the right to suspend its performance under this Agreement, including the making of deliveries of Energy to Purchaser, immediately upon written notice and shall not be obligated to restore such performance until the later of (A) the first day of the Month after such demand has been satisfied, and (B) the completion of the term of deliveries to any replacement sales customer to which MSES has remarketed the Energy on behalf of Issuer.

ARTICLE XV
[RESERVED]

ARTICLE XVI
NOTICES

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to the other Party (or to a third party) shall be in writing and shall either be sent by electronic means, courier, or personally delivered (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) on the date it is delivered by electronic means or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Party that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

ARTICLE XVII
DEFAULT; REMEDIES; TERMINATION

Section 17.1 Issuer Default. Each of the following events shall constitute an "Issuer Default" under this Agreement:

(a) any representation or warranty made by Issuer in this Agreement proves to have been incorrect in any material respect when made; or

(b) Issuer fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than thirty (30) days following the earlier of (i) receipt by Issuer of notice thereof or (ii) an officer of Issuer obtaining actual knowledge of such default.

Section 17.2 Purchaser Default. Each of the following events shall constitute a "Purchaser Default" under this Agreement:

(a) Purchaser fails to pay when due any amounts owed to Issuer pursuant to this Agreement and such failure continues for one (1) Business Day following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default;

(b) Purchaser (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its of assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

(c) any representation or warranty made by Purchaser in this Agreement proves to have been incorrect in any material respect when made; or

(d) Purchaser fails to perform, observe or comply with any covenant, agreement or term contained in this Agreement, and such failure continues for more than fifteen (15) days following the earlier of (i) receipt by Purchaser of notice thereof or (ii) an officer of Purchaser becoming aware of such default.

Section 17.3 Remedies Upon Default.

(a) Termination. If at any time an Issuer Default or a Purchaser Default has occurred and is continuing, then the non-defaulting Party may do any or all of the following (i) by notice to the defaulting Party specifying the relevant Issuer Default or Purchaser Default, as applicable, terminate this Agreement effective as of a day not earlier than the day such notice is deemed given under Article XVI and/or (ii) declare all amounts due to the non-defaulting Party under this Agreement or any part thereof immediately due and payable, and the same shall thereupon become immediately due and payable, without notice, demand, presentment, notice of dishonor, notice of intent to demand, protest or other formalities of any kind, all of which are hereby expressly waived by the defaulting Party; *provided*, however, this Agreement shall automatically terminate and all amounts due to the non-defaulting Party hereunder shall

immediately become due and payable as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition that upon the occurrence of a Purchaser Default specified in Section 17.2(b)(iv) or, to the extent analogous thereto, Section 17.2(b)(viii). In addition, during the existence of an Issuer Default or a Purchaser Default, as applicable, the non-defaulting Party may exercise all other rights and remedies available to it at Law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of this Agreement.

(b) Additional Remedies. In addition to the remedies set forth in Section 17.3(a) (and without limiting any other provisions of this Agreement), during the existence of any Purchaser Default, Issuer may suspend its performance hereunder and discontinue the supply of all or any portion of the Energy otherwise to be delivered to Purchaser by it under this Agreement. If Issuer exercises its right to suspend performance under this Section 17.3(b), Purchaser shall remain fully liable for payment of all amounts in default and shall not be relieved of any of its payment obligations under this Agreement. Deliveries of Energy may only be reinstated, at a time to be determined by Issuer, upon (i) payment in full by Purchaser of all amounts then due and payable under this Agreement and (ii) payment in advance by Purchaser at the beginning of each Month of amounts estimated by Issuer to be due to Issuer for the future delivery of Energy under this Agreement for such Month. Issuer may continue to require payment in advance from Purchaser after the reinstatement of Issuer's supply services under this Agreement for such period of time as Issuer in its sole discretion may determine is appropriate. In addition, and without limiting any other provisions of or remedies available under this Agreement, if Purchaser fails to accept from Issuer any Energy tendered for delivery under this Agreement, Issuer shall have the right to sell such Energy to third parties on any terms that Issuer, in its sole discretion, determines are appropriate.

(c) Effect of Early Termination. As of the effectiveness of any termination date in accordance with clause (i) of Section 17.3(a), (i) the Delivery Period shall end, (ii) the obligation of Issuer to make any further deliveries of Energy to Purchaser under this Agreement shall terminate, and (iii) the obligation of Purchaser to receive deliveries of Energy from Issuer under this Agreement will terminate. Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII. Without prejudice to any payment obligation in respect of periods prior to termination, no payments will be due from either Party in respect of periods occurring after the effective termination date of this Agreement.

Section 17.4 Termination of Prepaid Agreement. Purchaser acknowledges and agrees that (i) in the event the Prepaid Agreement terminates for any reason prior to the end of the Delivery Period, this Agreement shall terminate on the effective date of early termination of the Prepaid Agreement (which date shall be the last date upon which deliveries are required thereunder, subject to all winding up arrangements) and (ii) Issuer's obligation to deliver Energy under this Agreement shall terminate upon the termination of deliveries of Energy to Issuer under the Prepaid Agreement. Issuer shall provide notice to Purchaser of any early termination date of the Prepaid Agreement. The Parties recognize and agree that, in the event that the Prepaid Agreement terminates because of a Failed Remarketing (as defined in the Bond Indenture) of the Bonds that occurs in the first Month of a Reset Period, Issuer shall deliver Energy under this Agreement for the remainder of such first Month, and, notwithstanding anything in this

Agreement to the contrary, no Monthly Discount or Annual Refunds shall be associated with such deliveries and the Contract Price shall be adjusted accordingly.

Section 17.5 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN COMMODITY PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN.

ARTICLE XVIII
MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double

recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. Contemporaneously with this Agreement (unless otherwise specified): Each Party shall deliver to the other Party evidence reasonably satisfactory to it of (i) such Party's authority to execute, deliver and perform its obligations under this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement on behalf of such Party;

(a) as of the date hereof, Purchaser shall deliver to Issuer a fully executed Federal Tax Certificate in the form attached hereto as Exhibit D;

(b) on the Bond Closing Date, Purchaser shall deliver to Issuer an opinion of counsel to Purchaser in the form attached hereto as Exhibit E;

(c) on the Bond Closing Date, Purchaser shall deliver to Issuer a Closing Certificate in substantially the form set forth hereto as Exhibit G.

Section 18.3 Entirety; Amendments. This Agreement, including the exhibits and attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification, supplement or change hereto shall be enforceable unless reduced to writing and executed by both Parties.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S LAW.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party against whom such waiver is claimed. No waiver of any breach shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationships of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Each Party represents and covenants to and agrees with the other Party that it is not entitled to and shall not assert the defense of sovereign immunity or governmental immunity with respect to its obligations or any Claims under this Agreement, and each hereby waives any such defense of sovereign or governmental immunity to the full extent permitted by Law.

Section 18.11 Rates and Indices. If the source of any publication used to determine the index or other price used in the Contract Price should cease to publish the relevant prices or should cease to be published entirely, an alternative index or other price will be used based on the determinations made by Issuer and MSES under Section 18.11 of the Prepaid Agreement. Issuer shall provide Purchaser the opportunity to provide its recommendations and other input to Issuer for Issuer's use in the process for selecting such alternative index or other price under Section 18.11 of the Prepaid Agreement.

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

Section 18.13 Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

Section 18.14 Third Party Beneficiaries; Rights of Trustee. Purchaser acknowledges and agrees that (a) Issuer will pledge and assign its rights, title and interest in this Agreement and the amounts payable by Purchaser under this Agreement (other than amounts payable in respect of the Project Administration Fee) to secure Issuer's obligations under the Bond Indenture, (b) the Trustee shall be a third-party beneficiary of this Agreement with the right to enforce Purchaser's obligations under this Agreement, (c) the Trustee or any receiver appointed under the Bond Indenture shall have the right to perform all obligations of Issuer under this Agreement, and (d) in the event of any Purchaser Defaults under Section 17.2(a), (i) MSES may, to the extent provided for in, and in accordance with, the Receivables Purchase Provisions (as defined in the Bond Indenture), take assignment from Issuer of receivables owed by Purchaser to Issuer under this Agreement, and shall thereafter have all rights of collection with respect to such receivables, and (ii) if such receivables are not so assigned, the Commodity Swap Counterparty (as defined in the Bond Indenture) shall have the right to pursue collection of such receivables to the extent of any non-payment by Issuer to the Commodity Swap Counterparty that was caused by Purchaser's payment default. Pursuant to the terms of the Bond Indenture, Issuer has irrevocably appointed the Trustee as its agent to issue notices and as directed under the Bond Indenture, to take any other actions that Issuer is required or permitted to take under this Agreement. Purchaser may rely on notices or other actions taken by Issuer or the Trustee and Purchaser has the right to exclusively rely on any notices delivered by the Trustee, regardless of any conflicting notices that it may receive from Issuer.

Section 18.15 Waiver of Defenses. Purchaser waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to Purchaser with regard to Purchaser's obligations pursuant to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Power Supply Contract to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A-1
BASE ENERGY HOURLY QUANTITIES

[To be attached.]

EXHIBIT A-2
EPS ENERGY PERIOD ANNUAL QUANTITY AND MONTHLY PROJECTED QUANTITY

[To be attached.]

EXHIBIT B
NOTICES

IF TO ISSUER:	California Community Choice Financing Authority 1125 Tamalpais Avenue San Rafael, CA 94901 Email: [____]
Invoicing/Payments:	[____]
IF TO PURCHASER:	Silicon Valley Clean Energy Authority 333 W. El Camino Real Suite 330 Sunnyvale, CA 94087 Attention: Girish Balachandran, CEO Phone: (408) 721-5301 Email: girish@svcleanenergy.org
Energy Related:	SVCE Power Settlements Phone: (408) 721-5301 Email: invoices@svcleanenergy.org
Invoicing/Payments:	SVCE Power Settlements Phone: (408) 721-5301 Email: invoices@svcleanenergy.org

EXHIBIT C
FORM OF REMARKETING ELECTION NOTICE

[_____]

Morgan Stanley Energy Structuring, L.L.C.
1585 Broadway
New York, NY 10036-8293

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, Florida 32256

To the Addressees:

The undersigned, duly authorized representative of Silicon Valley Clean Energy Authority (the "Purchaser"), is providing this notice (the "Remarketing Election Notice") pursuant to the Power Supply Contract, dated as of [____], 2023 (the "Supply Contract"), between California Community Choice Financing Authority and Purchaser. Capitalized terms used herein shall have the meanings set forth in the Supply Contract.

Pursuant to Section 3.4(b) of the Supply Contract, the Purchaser has elected to have its Contract Quantity for the applicable Reset Period remarketed beginning as of the commencement of such Reset Period. The resumption of deliveries in any future Reset Period shall be in accordance with Section 3.4(d) of the Supply Contract.

Given this [___] day of [_____], 20[__].

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Printed Name:
Title:

EXHIBIT D

FORM OF FEDERAL TAX CERTIFICATE

This Federal Tax Certificate is executed in connection with the Power Supply Contract dated as of [____], 2023 (the "Supply Contract"), by and between California Community Choice Financing Authority ("Issuer") and Silicon Valley Clean Energy Authority ("Purchaser"). Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Supply Contract or in the Bond Indenture.

WHEREAS Purchaser acknowledges that Issuer is issuing the Bonds to fund the prepayment price under the Prepaid Agreement; and

WHEREAS the Bonds are intended to qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended; and

WHEREAS Purchaser's use of Energy acquired pursuant to the Supply Contract and certain funds and accounts of Purchaser will affect the Bonds' qualification for such tax exemption.

NOW, THEREFORE, PURCHASER HEREBY CERTIFIES AS FOLLOWS:

1. Purchaser is a community choice aggregator organized as a joint powers authority under the laws of the State of California. As a community choice aggregator, the Purchaser is a load-serving entity providing electricity to customers within the boundaries of cities and/or counties that have elected to participate in Purchaser's community choice aggregation program. For purposes of this Certificate, the term "service area" of the Purchaser means the boundaries of the cities and/or counties that have elected to participate in the Purchaser's community choice aggregation program, as well as any other area recognized as the service area of the Purchaser under state or federal law.

2. Purchaser will resell all of the Energy acquired pursuant to the Supply Contract to its retail Energy customers within its service area, with retail sales in all cases being made pursuant to regularly established and generally applicable tariffs or under authorized requirements contracts.

3. From [___, __] to [____, 2023] the annual average amount of Energy purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser is [_____] MWh. Over the term of the Supply Contract, the Purchaser expects the annual average amount of Energy purchased (other than for resale) by customers of the Purchaser who are located within the service area of the Purchaser to be at least [_____] MWh. The maximum annual amount of Energy in any year being acquired pursuant to the Supply Contract is [_____] MWh. The annual average amount of Energy which Purchaser otherwise has a right to acquire as of the Closing Date (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) is [_____] MWh. The sum of (a) the maximum amount of Energy in any year being acquired pursuant to the Supply Contract, and (b) the amount of Energy that Purchaser otherwise has a right to acquire (including rights to capacity to generate electricity, whether owned, leased or otherwise contracted for) in the year described in the foregoing clause

(a), is [_____] MWh. Accordingly, the amount of Energy to be acquired under the Supply Contract by Purchaser, supplemented by the amount of Energy otherwise available to Purchaser as of the Closing Date, during any year does not exceed [___]% of the expected annual average amount of Energy to be purchased (other than for resale) by customers of Purchaser who are located within the service area of Purchaser.

3. In the event of the expiration or termination of an EPS Energy Period, Purchaser agrees to comply with its obligations under the Assignment Letter Agreement, including but not limited to its obligations to (a) exercise Commercially Reasonable Efforts to assign a portion of Purchaser's rights and obligations under a power purchase agreement under which Purchaser is purchasing EPS Compliant Energy to MSCG or MSES pursuant to an Assignment Agreement and (b) cooperate in good faith with Issuer, MSCG and MSES with respect to any proposed assignments.

4. Purchaser expects to pay for Energy acquired pursuant to the Supply Contract solely from funds derived from its operations as a community choice aggregator. Purchaser expects to use current CCA Revenues of its CCA System to pay for current Energy acquisitions. Neither the Purchaser nor any person who is a related party to the Purchaser will hold any funds or accounts in which monies are set aside and invested and which are reasonably expected to be used to pay for Energy more than one year after such monies are set aside. No portion of the proceeds of the Bonds will be used directly or indirectly to replace funds of Purchaser or any persons who are related Persons to Purchaser that are or were intended to be used for the purpose for which the Bonds were issued.

_____, 2023

By: _____
[Name]
[Title]

EXHIBIT E
FORM OF OPINION OF COUNSEL TO PURCHASER

California Community Choice Financing Authority
San Rafael, CA

Morgan Stanley Energy Structuring, L.L.C.
New York, NY

Morgan Stanley
New York, NY

The Bank of New York Mellon Trust Company, N.A., as trustee
Jacksonville, FL

[Swap Counterparty]
[____]

Re: Power Supply Contract between Silicon Valley Clean Energy Authority and California Community Choice Financing Authority dated as of [____], 2023

Ladies and Gentlemen:

We are Counsel to Silicon Valley Clean Energy Authority ("Purchaser"). Purchaser is a Purchaser in the Energy Project undertaken by California Community Choice Financing Authority ("Issuer"). We are furnishing this opinion to you in connection with the Power Supply Contract between Issuer and Purchaser dated as of [____], 2023 (the "Supply Contract").

Unless otherwise specified herein, all terms used but not defined in this opinion shall have the same meaning as is ascribed to them in the Supply Contract.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following:

(a) The Constitution and laws of the State of California (the "State") including, as applicable, acts, ordinances, certificates, articles, charters, bylaws, and agreements pursuant to which Purchaser was created and by which it is governed;

(b) Resolution No. [__], duly adopted by Purchaser on [_____] (the "Resolution") and certified as true and correct by certificate and seal, authorizing Purchaser to execute and deliver the Supply Contract;

(c) A copy of the Supply Contract executed by Purchaser; and

(d) All outstanding instruments relating to bonds, notes, or other indebtedness of or relating to Purchaser and Purchaser's CCA System (as defined in the Supply Contract).

We have also examined and relied upon originals or copies, certified or otherwise authenticated to our satisfaction, of such records, documents, certificates, and other instruments, and made such investigations of law, as in our judgment we have deemed necessary or appropriate to enable us to render the opinions expressed below.

Based upon the foregoing, we are of the opinion that:

1. Purchaser is a joint powers authority of the State, duly organized and validly existing as a community choice aggregator under the laws of the State, and has the power and authority to own its properties, to carry on its business as now being conducted, and to enter into and to perform its obligations under the Agreement.

2. The execution, delivery, and performance by Purchaser of the Supply Contract have been duly authorized by the governing body of Purchaser and do not and will not require, subsequent to the execution of the Supply Contract by Purchaser, any consent or approval of the governing body or any officers of Purchaser.

3. The Supply Contract is the legal, valid, and binding obligation of Purchaser, enforceable in accordance with its terms, except as such enforceability may be subject to (i) the exercise of judicial discretion in accordance with general principles of equity and (ii) bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted, to the extent constitutionally applicable.

4. No approval, consent or authorization of any governmental or public agency, authority, commission or person, or, to our knowledge, of any holder of any outstanding bonds or other indebtedness of Purchaser, is required with respect to the execution, delivery and performance by Purchaser of the Supply Contract or Purchaser's participation in the transactions contemplated thereby other than those approvals, consents and/or authorizations that have already been obtained.

5. The authorization, execution and delivery of the Supply Contract and compliance with the provisions thereof (a) will not conflict with or constitute a breach of, or default under, (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) to our knowledge will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

6. Purchaser is not in breach of or default under any applicable constitutional provision or any law or administrative regulation of the State or the United States or any applicable judgment or decree or, to our knowledge, any loan or other agreement, resolution, indenture, bond, note, resolution, agreement or other instrument to which Purchaser is a party or to which Purchaser or any of its property or assets is otherwise subject, and to our knowledge no event has occurred

and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument.

7. Payments to be made by Purchaser under the Supply Contract shall constitute operating expenses of Purchaser's CCA System payable solely from the revenues and other available funds of Purchaser's CCA System as a cost of purchased electricity. The application of the revenues and other available funds of Purchaser's CCA System to make such payments is not subject to any prior lien, encumbrance or other restriction.

8. As of the date of this opinion, to the best of our knowledge after due inquiry, there is no pending or threatened action or proceeding at law or in equity or by any court, government agency, public board or body affecting or questioning the existence of Purchaser or the titles of its officers to their respective offices or affecting or questioning the legality, validity, or enforceability of this Supply Contract nor to our knowledge is there any basis therefor.

This opinion is rendered solely for the use and benefit of the addressees listed above in connection with the Supply Contract and may not be relied upon other than in connection with the transactions contemplated by the Supply Contract, or by any other person or entity for any purpose whatsoever, nor may this opinion be quoted in whole or in part or otherwise referred to in any document or delivered to any other person or entity, without the prior written consent of the undersigned.

Very truly yours,

EXHIBIT F

MONTHLY DISCOUNT

Monthly Discount:	$[____]/MWh

EXHIBIT G
FORM OF CLOSING CERTIFICATE

CLOSING CERTIFICATE OF PURCHASER

_____, 2023

Re: California Community Choice Financing Authority
Clean Energy Project Revenue Bonds

The undersigned _____ of Silicon Valley Clean Energy Authority (the *"Purchaser"*), hereby certifies as follows in connection with the Power Supply Contract dated as of _____, 2023 (the *"Agreement"*) between the Purchaser and California Community Choice Financing Authority ("*Issuer*") and the issuance and sale by Issuer of the above-referenced bonds (the *"Bonds"*) (capitalized terms used and not defined herein shall have the meanings given to them in the Agreement):

1. Purchaser is a community choice aggregator, duly created and validly existing as a joint powers authority, and is in good standing, under the laws of the State of California (the *"State"*), and has the corporate power and authority to enter into and perform its obligations under the Agreement.

2. By all necessary official action on its part, the Purchaser has duly authorized and approved the execution and delivery of, and the performance by the Purchaser of the obligations on its part contained in the Agreement, and such authorization and approval has not been amended, supplemented, rescinded or modified in any respect since the date thereof.

3. The Agreement constitutes the legal, valid and binding obligation of the Purchaser.

4. The authorization, execution and delivery of the Agreement and compliance with the provisions on the Purchaser's part contained therein (a) will not conflict with or constitute a breach of or default under (i) any instrument relating to the organization, existence or operation of Purchaser, (ii) any ruling, regulation, ordinance, judgment, order or decree to which Purchaser (or any of its officers in their respective capacities as such) is subject or (iii) any provision of the laws of the State relating to Purchaser and its affairs, and (b) will not result in, or require the creation or imposition of, any lien on any of the properties or revenues of Purchaser pursuant to any of the foregoing.

5 The Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Purchaser is a party or to which the Purchaser or any of its property or

assets are subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Purchaser under any of the foregoing.

6. Payments to be made by the Purchaser under the Agreement shall constitute operating expenses of the Purchaser's CCA System (as defined in the Agreement) payable solely from the revenues and other available funds of Purchaser's CCA System as a cost of purchased electricity. The application of the revenues and other available funds of the Purchaser's CCA System to make such payments is not subject to any prior lien, encumbrance or other restriction.

7. No litigation, proceeding or tax challenge is pending or, to its knowledge, threatened, against the Purchaser in any court or administrative body which would (a) contest the right of the officials of the Purchaser to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Purchaser, (c) contest the validity, due authorization and execution of the Agreement or (d) attempt to limit, enjoin or otherwise restrict or prevent the Purchaser from executing, delivering and performing the Agreement, nor to the knowledge of the Purchaser is there any basis therefor.

8. All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Purchaser of its obligations under the Agreement have been duly obtained.

9. The representations and warranties of the Purchaser contained in the Agreement were true, complete and correct on and as of the date thereof and are true, complete and correct on and as of the date hereof.

10. The statements and information with respect to the Purchaser contained in the Official Statement dated _____, 2023 with respect to the Bonds, including Appendix B thereto (the *"Official Statement"*), fairly and accurately describe and summarize the financial and operating position of the Purchaser for the periods shown therein, and such statements and information did not as of the date of the Official Statement and do not as of the date hereof contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements and information, in the light of the circumstances under which they were made, not misleading.

11. No event affecting the Purchaser has occurred since the date of the Official Statement which should be disclosed therein in order to make the statements and information with respect to the Purchaser contained therein, in light of the circumstances under which they were made, not misleading in any material respect.

IN WITNESS WHEREOF the undersigned has executed this Certificate on and as of the date first written above.

SILICON VALLEY CLEAN ENERGY AUTHORITY

By_____

Name:

Title:

EXHIBIT H

FORM OF REMEDIATION CERTIFICATE

[_____], 20__

[_____]

Morgan Stanley Energy Structuring, L.L.C.
1585 Broadway
New York, NY 10036-8293
Attn: Miscellaneous Notices
Email: [____]

Re: Power Supply Contract with California Community Choice Financing Authority: Section 7.5 Remediation

To the addressees:

The undersigned, duly authorized representative of Silicon Valley Clean Energy Authority ("Purchaser"), hereby certifies as follows in connection with the Power Supply Contract, dated as of [____], 2023 (the "Contract"), between Purchaser and California Community Choice Financing Authority and remediation of Disqualified Remarketing Proceeds pursuant to Section 7.5 of the Contract. Capitalized terms used herein shall have the meanings set forth in the Contract.

Set forth as Attachment 1 hereto is a copy of Purchaser's invoice for the Month of [____] for purchases of Energy from [____] ***[NOTE: Insert reference to supplier.]*** pursuant that certain [____] ***[NOTE: Insert reference to applicable supply agreement.]***, and all of such Energy was used in compliance with the Qualifying Use Requirements.

In witness whereof the undersigned has executed this Certificate on and as of the date first written above.

SILICON VALLEY CLEAN ENERGY AUTHORITY

By _____
[Name]
[Title]

LETTER AGREEMENT

[____], 2023

Silicon Valley Clean Energy Authority
333 W. El Camino Real Suite 330
Sunnyvale, CA 94087
Email: girish@svcleanenergy.org

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email: [____]

Re: PPA Assignments for Delivery under Prepay Energy Agreements

Ladies and Gentlemen:

This Letter Agreement (this "Letter Agreement") confirms our mutual agreement with respect to the matters set forth below and relates to (i) that certain Power Supply Contract (the "Power Supply Contract"), dated as of the date hereof, by and between California Community Choice Financing Authority ("Issuer") and Silicon Valley Clean Energy Authority ("Project Participant"), (ii) that certain Prepaid Energy Sales Agreement (the "Prepaid Agreement"), dated as of the date hereof, by and between Morgan Stanley Energy Structuring, L.L.C. ("MSES") and Issuer, and (iii) that certain Energy Management Agreement (together with the Power Supply Contract and the Prepaid Agreement, the "Prepay Energy Agreements"), dated as of the date hereof, by and between Morgan Stanley Capital Group Inc. ("MSCG") and MSES. Any capitalized term used in this Letter Agreement and not otherwise defined herein shall have the meaning assigned to such term in the Power Supply Contract. In consideration of each party's execution of the respective Prepay Energy Agreements, as well as the premises above and the mutual covenants and agreements set forth herein, Issuer, Project Participant, MSES and MSCG (collectively, the "Parties") agree as follows:

1. **PPA Assignments for Delivery under Prepay Energy Agreements**.

(a) Initial Assignment. Concurrently with the execution of the Prepay Energy Agreements, Project Participant has assigned and MSES has agreed to assume a portion of Project Participant's rights and obligations under the Initial Assigned PPA.

(b) Replacement Assignments. Commencing (i) six months prior to the expiration of any EPS Energy Period or the resumption of deliveries in a new Reset Period following Participant's issuance of a Remarketing Election Notice pursuant to Section 3.4 of the Power Supply Contract or (ii) otherwise immediately upon the early termination or anticipated early termination of an EPS Energy Period, Project Participant shall exercise Commercially Reasonable Efforts to assign a portion of Project Participant's rights and obligations (the "Assigned Rights and Obligations") under one or more power purchase agreements under which Project Participant is purchasing EPS Compliant Energy pursuant

to an Assignment Agreement substantially in the form of (A) the Limited Assignment Agreement set forth as Exhibit A hereto if the PPA Supplier is an unrelated third party or (B) the Limited Assignment Agreement set forth as Exhibit B hereto if the PPA Supplier is MSCG, and the Parties shall cooperate in good faith with respect to any proposed assignments; provided that

(1) any subsequent Assignment Agreement shall provide (I) for the assignment by Project Participant to either (a) MSES if MSCG is the PPA Supplier or (b) MSCG if the PPA Supplier is an unrelated third party of its right to receive all of the Energy (and any associated products set forth in the Assignment Agreement) delivered under the applicable power purchase agreement for each Month of the applicable EPS Energy Period and (II) for payment by MSES or MSCG as applicable to the PPA Supplier under such subsequent power purchase agreement of the Day-Ahead Average Price for each Month of the applicable EPS Energy Period, with such amounts to be credited in the PPA Supplier's monthly invoice to Project Participant against other amounts owed by Project Participant under the Assigned PPA during the EPS Energy Period;

(2) any third party PPA Supplier must satisfy MSCG's internal credit and approval requirements and other requirements applied on a nondiscriminatory basis, including any "know your customer" rules, policies and procedures, anti-money laundering rules and regulations, Dodd-Frank Act, Commodity Exchange Act, Patriot Act and similar rules, regulations, requirements and corresponding policies;

(3) any such assignment must be agreed and consented to by Project Participant, MSES and MSCG in their reasonable discretion; and

(4) the Parties recognize that MSCG will be obligated to sell and deliver Assigned Product it receives from a third party PPA Supplier to MSES under the Energy Management Agreement; MSES will be obligated to deliver Assigned Product that it acquires to Issuer under the terms of the Prepaid Agreement; and Issuer will be obligated to deliver Assigned Product that it acquires to Project Participant under the terms of the Power Supply Contract.

(c) MSCG Procurement of EPS Compliant Energy. To the extent that (i) Project Participant, MSES and MSCG have not agreed upon a replacement assignment of a power purchase agreement by the date that is 75 days prior to (A) the end of any EPS Energy Period or (B) the resumption of deliveries in a new Reset Period following Participant's issuance of a Remarketing Election Notice pursuant to Section 3.4 of the Power Supply Contract, or (ii) an early termination of an EPS Energy Period has occurred and Project Participant, MSES and MSCG have not agreed upon a replacement assignment of a power purchase agreement, then MSCG shall exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for ultimate redelivery to Project Participant, provided that:

(1) Project Participant must consent to MSCG's procurement of any such EPS Compliant Energy for ultimate redelivery to Project Participant, with such consent not to be unreasonably withheld;

(2) the Parties shall act in good faith and in a Commercially Reasonable manner to negotiate any necessary amendments to the Prepay Energy Agreements to facilitate the delivery of such EPS Compliant Energy; and

(3) the period of delivery for any such EPS Compliant Energy (any such period, a "MSCG EPS Energy Period") shall not exceed the length, as applicable, of (A) the then-current Reset Period if such EPS Compliant Energy is obtained for delivery for the remainder of a Reset Period and (B) the length of the next succeeding Reset Period if such EPS Compliant Energy is obtained for delivery commencing in a subsequent Reset Period.

(d) Tax Opinion. The Parties acknowledge and agree that their ability to enter into a new Reset Period will be contingent on obtaining an Opinion of Bond Counsel (as defined in the Bond Indenture), which will be dependent on the availability of EPS Compliant Energy for delivery in such Reset Period.

2. **Failure to Obtain EPS Compliant Energy**. To the extent an EPS Energy Period terminates or expires and Project Participant and MSCG have been unable to obtain EPS Compliant Energy for delivery under the Prepay Energy Agreements pursuant to the provisions of Paragraph 1, then MSES shall remarket the Base Energy pursuant to the provisions of Exhibit C to the Prepaid Agreement, subject to the following:

(a) the Parties' obligations set forth in Paragraph 1 shall continue to apply;

(b) Project Participant shall not make any new commitment to purchase Priority Energy during such a remarketing; and

(c) consistent with Section 7.5 of the Power Supply Contract, Project Participant shall exercise Commercially Reasonable Efforts to remediate any Disqualifed Remarketing Proceeds resulting from MSES's remarketing;.

3. **Representations**. Each Party represents to each of the other Parties:

(a) **Status**. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

(b) **Powers**. It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

(c) **No Violation or Conflict**. Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

(d) **Consents**. All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

(e) **Obligations Binding**. Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(f) **Non-Reliance**. It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

(g) **Assessment and Understanding**. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

(h) **Status of Parties**. None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

4. **Counterparts**. This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or electronic transmission), each of which will be deemed an original.

5. **Costs and Expenses**. The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

6. **Amendments**. No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile or electronic transmission) and executed by each of the Parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

7. **Notices**. Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon written 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, any Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

8. **Dispute Resolution**.

(a) **Governing Law**. This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the state of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of Project Participant and Issuer to enter into and perform their obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(b) **Arbitration**. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**")

pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of MSCG and Project Participant shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "**chairperson**") within thirty (30) days of the commencement of the arbitration. If either MSCG or Project Participant is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If MSCG and Project Participant-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorneys' fees reasonably incurred in seeking to enforce the application of this Section 8(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 8(b), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(c) **Judicial Reference.** Without limiting the provisions in Section 8(b), if Section 8(b) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "**Dispute**") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("**CCP**"), or their successor sections (a "**Reference Proceeding**"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 8(c)(i).

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "**Disputing Party**") shall provide the other Parties (the "**Responding Parties**") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "**Notice of Dispute**"). Within ten (10) Days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for

such position (the "**Dispute Response**"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within sixty (60) Days after receipt of the Dispute Response, (the "**Negotiation Period**"), then any Party may provide to the other Parties written notice of intent for judicial reference (the "**Impasse Notice**") in accordance with the further provisions of this Section 8(c).

ii. Applicability; Selection of Referees.

(A) Within ten days of the delivery of an Impasse Notice, each of MSCG and Project Participant shall nominate one (1) referee. The two (2) referees (the "**Party-Appointed Referees**") shall appoint a third referee (the "**Third Referee**"). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(B) If the Party-Appointed Referees are unable to agree on the Third Referee within forty-five (45) Days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the "**Court**"), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of Project Participant and MSCG shall have one (1) peremptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within twenty (20) days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within one hundred eighty (180) days after the date of the conference, and (iii) report a statement of decision within twenty (20) days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

v. Expenses. Each of MSCG and Project Participant shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between MSCG and Project Participant.

9. **Limitation of Liability**. Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

[Signature Pages to Follow]

Very truly yours,

MSES

MORGAN STANLEY ENERGY STRUCTURING, L.L.C.

By: _____
Name: _____
Title: _____

MSCG

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED TO as of the date first set forth above:

PARTICIPANT

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name: _____
Title: _____

ISSUER

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A

FORM OF LIMITED ASSIGNMENT AGREEMENT FOR THIRD PARTY AS PPA SUPPLIER

This Limited Assignment Agreement (this "**Agreement**") is entered into as of [____] by and among [____], a [____] ("**PPA Seller**"), Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the laws of the State of California ("**PPA Buyer**"), and Morgan Stanley Capital Group Inc., a Delaware corporation ("**MSCG**").

RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain [____], dated as of [____] (the "**PPA**");

WHEREAS, in connection with a prepaid electricity transaction between [_____] (**"Issuer"**) and Prepay Seller (as defined below), and with effect from and including the Assignment Period Start Date (as defined below), PPA Buyer wishes to transfer by limited assignment to MSCG, and MSCG wishes to accept the transfer by limited assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below); and

WHEREAS, pursuant to this Agreement, MSCG will receive the Assigned Product and MSCG will deliver the Assigned Product to Prepay Seller, which will redeliver the Assigned Product to Issuer for ultimate redelivery to PPA Buyer; and

WHEREAS, pursuant to this Agreement, MSCG will assume responsibility for the Delivered Product Payment Obligation.

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and MSCG (the "**Parties**" hereto; each is a "**Party**") agree as follows:

AGREEMENT

1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"**Agreement**" has the meaning specified in the first paragraph above.

"**Assigned Delivery Point**" has the meaning specified in Appendix 1.

"**Assigned Energy**" means any Electricity associated with the Assigned Product to be delivered to MSCG hereunder pursuant to the Assigned Rights and Obligations.

"**Assigned Product**" includes all (i) Energy and (ii) Green Attributes (PCC1) (as defined in the PPA) produced by the Facility (as defined in the PPA).

"**Assigned Product Price**" means **[NOTE: To be the Day-Ahead Price averaged for each day of the prior month if the assignment occurs after the commencement of the prepay transaction or the fixed price for energy under the PPA if assigned in connection with execution of the prepay transaction.]**.

"**Assigned Rights and Obligations**" means (i) the rights of PPA Buyer under the PPA to receive the Assigned Products in each Month during the Assignment Period, as such rights may be limited or further described in the "Further Information" section on Appendix 1, and (ii) the Delivered Product Payment Obligation, which right and obligation are transferred and conveyed to MSCG hereunder, but which shall not relieve PPA Buyer of its obligations under the PPA in any respects.

"**Assignment Early Termination Date**" has the meaning specified in Section 5(b).

"**Assignment Period**" has the meaning specified in Section 5(a).

"**Assignment Period End Date**" means 11:59:59 p.m. pacific prevailing time on [____].

"**Assignment Period Start Date**" means [_____].

"**Business Day**" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. local time for the Party sending a notice, or payment, or performing a specified action.

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

"**Claims**" means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys' fees, experts' fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

"**Delivered Product Payment Obligation**" has the meaning specified in Section 3(a).

"**Electricity**" means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (MWh).

"**Government Agency**" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

"**Issuer**" has the meaning specified in Appendix 2.

"**Inter-SC Trade**" or "**IST**" has the meaning set forth in the CAISO Tariff.

"**Month**" means a calendar month.

"**MSCG**" has the meaning specified in the first paragraph of this Agreement.

"**Person**" means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

"**PPA Buyer**" has the meaning specified in the first paragraph of this Agreement.

"**PPA Seller**" has the meaning specified in the first paragraph of this Agreement.

"**Prepaid Agreement**" has the meaning specified in Appendix 2.

"**Prepay Power Supply Contract**" has the meaning specified in Appendix 2.

"**Prepay Seller**" has the meaning specified in Appendix 2.

"**Receivables**" has the meaning given to such term in Section 3(d).

"**Retained Rights and Obligations**" has the meaning specified in Section 3.

"**Scheduling Coordinator**" or "**SC**" means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in "Responsibilities of a Scheduling Coordinator," of the CAISO Tariff, as amended from time to time.

2. Transfer and Undertakings.

(a) PPA Buyer hereby assigns, transfers and conveys to MSCG all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Product during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to MSCG the Assigned Rights and Obligations during the Assignment Period.

(b) PPA Seller hereby consents and agrees to PPA Buyer's assignment, transfer and conveyance of all right, title and interest in and to the Assigned Product and Assigned Rights and Obligations to MSCG and the exercise and performance by MSCG of the Assigned Rights and Obligations during the Assignment Period.

(c) MSCG hereby accepts such assignment, transfer and conveyance of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer's rights and obligations under the PPA, and that all rights and obligations arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be "**Retained Rights and Obligations**", and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation; Invoicing**.

i. MSCG's sole obligation to PPA Seller will be to pay the Assigned Product Price to PPA Seller for the Assigned Products delivered during each Month of the Assignment Period on each applicable payment date under Section [__] of the PPA (the "**Delivered Product Payment Obligation**"), provided that the Delivered Product Payment Obligation shall not in any case exceed the Monthly Gross Amount (as defined below). To the extent MSCG fails to pay the Delivered Product Payment Obligation by the due date for payment set forth in the PPA, notwithstanding anything in this Agreement to the contrary, PPA Buyer agrees that it remains responsible for such payment; provided that, to the extent PPA Buyer makes a payment to PPA Seller with respect to the Delivery Product Payment Obligation because MSCG has failed to pay the Delivered Product Payment Obligation, PPA Seller will have no further claim against MSCG for such amounts, and MSCG will be obligated to pay such amounts to PPA Buyer. Any payment adjustments or subsequent reconciliations occurring after payment by MSCG under Section 3(a)(i) will be resolved exclusively between PPA Buyer and PPA Seller consistent with the applicable provisions of the PPA.

ii. PPA Buyer shall remain solely responsible for any payment obligations other than the Delivered Product Payment Obligation due under the PPA during the Assignment Period (the "**Retained Payment Obligation**"). Any Claims arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or MSCG, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA.

iii. Promptly following PPA Buyer's receipt of each monthly invoice from PPA Seller during the Assignment Period and, in any event, no later than seven days thereafter, PPA Buyer shall deliver (i) a copy of such monthly invoice and the related supporting data to MSCG (ii) a statement to each of MSCG and the custodian described below indicating (A) the total amount due to PPA Seller under the PPA for such Month (the "**Monthly Gross Amount**"); (B) the Delivered Product Payment Obligation; and (C) the Retained Payment

Obligation, which (I) shall be determined by subtracting the Delivered Product Payment Obligation from the Monthly Gross Amount and (II) shall reflect an amount due from PPA Buyer to the extent it is a positive number and an amount due to PPA Buyer to the extent it is a negative number. The Delivered Product Payment Obligation and Retained Payment Obligation shall be administered by a custodian who will pay (1) the Monthly Gross Amount to PPA Seller on each payment due date and (2) the absolute value of the Retained Payment Obligation to PPA Buyer to the extent such amount is negative for any given Month.

(b) **Scheduling**. All scheduling of Electricity associated with Assigned Product and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass to MSCG upon delivery by PPA Seller at the Assigned Delivery Point in accordance with the PPA; (ii) immediately thereafter, title to such Assigned Product will pass to Prepay Seller, Issuer and then to PPA Buyer upon delivery by MSCG at the same point where title is passed to MSCG pursuant to clause (i) above; (iii) PPA Buyer will be deemed to be acting as MSCG's agent with regard to scheduling Assigned Energy; provided, however, that PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the Facility (as defined in the PPA) and through scheduling of ISTs; and (iv) (A) PPA Buyer and PPA Seller will provide copies to MSCG of (I) any notice of force majeure delivered under the PPA and (II) any notice of a default or of a breach or other event that, if not cured within an applicable grace period, could result in a default; (B) PPA Seller will provide copies to MSCG of annual forecasts and monthly forecasts and generation reports delivered under the PPA; and (C) PPA Buyer and PPA Seller, as applicable, will provide copies to MSCG of any other information reasonably requested by MSCG relating to Assigned Product.

(c) **Amendments**. PPA Buyer and PPA Seller will provide written notice (including copies thereof) of any amendment, waiver, supplement, modification, or other changes to the PPA to MSCG relating to the Assigned Rights and Obligations, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will not have any effect on MSCG's rights or obligations under this Agreement until and unless MSCG receives written notice thereof.

(d) **Setoff of Receivables**. Pursuant to the Prepaid Agreement, Prepay Seller has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the Prepay Power Supply Contract ("**Receivables**") in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Product purchased by MSCG pursuant to the Assigned Rights and Obligations, Prepay Seller may sell such Receivables to MSCG and MSCG may transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligations; provided, however, that at no time shall PPA Seller be required to pay MSCG for any amounts by which such Receivables exceed any Delivered Product Payment Obligations then due and owed to PPA Seller.

4. Forward Contract.

The Parties acknowledge and agree that this Agreement constitutes a "forward contract" and that the Parties shall constitute "forward contract merchants" within the meaning of the United States Bankruptcy Code.

5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period**. The "**Assignment Period**" shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination**. An "**Assignment Early Termination Date**" will occur under the following circumstances and as of the dates specified below:

i. the assignment of the Prepay Power Supply Contract by PPA Buyer or Issuer pursuant to Article XIII thereof, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;

ii. the suspension, expiration, or termination of performance of the PPA by either PPA Buyer or PPA Seller for any reason other than the occurrence of Force Majeure under and as defined in the PPA, which Assignment Early Termination Date shall occur immediately as of the time of PPA Seller's last performance under the PPA following such suspension, expiration, or termination;

iii. the election of MSCG in its sole discretion to declare an Assignment Early Termination Date as a result of (a) any event or circumstance that would give either PPA Buyer or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether PPA Buyer or PPA Seller exercises such right) or (b) the execution of an amendment, waiver, supplement, modification or other change to the PPA that adversely affects the Assigned Rights and Obligations or MSCG's rights or obligations under this Agreement (provided that MSCG shall not have a right to terminate under this clause (b) to the extent that MSCG (i) receives prior notice of such change and (ii) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by MSCG to PPA Buyer and PPA Seller;

iv. termination or suspension of deliveries for any reason other than force majeure under the Prepaid Agreement or Prepay Power Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;

v. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if MSCG fails to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for five Business Days following receipt by MSCG of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written

notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to MSCG, and with a copy to PPA Buyer or PPA Seller, as applicable;

vi. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against MSCG seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) MSCG commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or MSCG consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of MSCG or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur upon the earliest date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to MSCG, and with a copy to PPA Buyer or PPA Seller, as applicable;

vii. either MSCG or PPA Buyer may designate an Assignment Early Termination Date with written notice to the other Parties to the extent that MSCG and PPA Buyer have mutually agreed upon a replacement Assignment Agreement (as defined in the Prepay Power Supply Contract) that will replace the Assigned Rights and Obligations hereunder immediately following the termination hereof, which Assignment Early Termination Date shall occur effective as of the end of the Month preceding the commencement of the "Assignment Period" under the replacement Assignment Agreement as specified in the notice from MSCG or PPA Buyer to the other Parties; and

viii. PPA Buyer may deliver written notice of termination to the other Parties if any change, event or effect occurs, including but not limited a change in applicable laws or regulations, any issues with the PPA Seller or the PPA, a dispute under the PPA or other similar circumstance, that individually or collectively have or are reasonably expected by PPA Buyer to have a material adverse effect upon (A) the PPA Buyer, (B) its rights and obligations under this Agreement, the Prepay Power Supply Contract, or the PPA, or (C) the benefit the PPA Buyer is receiving by assigning the Assigned Rights and Obligations, with such Assignment Early Termination Date to be the date set forth in a written notice delivered by PPA Buyer to the other Parties; provided that (x) PPA Buyer will provide

notice to the other Parties as soon as is reasonably possible that PPA Buyer anticipates exercising this termination right, and (y) PPA Buyer shall exercise commercially reasonable efforts to propose and agree with MSCG upon a replacement Assignment Agreement prior to exercising this termination right.

(c) **Reversion of Assigned Rights and Obligations**. The parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations will revert from MSCG to PPA Buyer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from MSCG to PPA Buyer, provided that (i) MSCG shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to MSCG prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

6. Representations and Warranties.

(a) **Copy of PPA**. PPA Seller and PPA Buyer represent and warrant to MSCG that a true, complete, and correct copy of the PPA is attached hereto as Appendix 4.

(b) **No Default**. PPA Seller and PPA Buyer represent and warrant to MSCG that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder.

(c) **Other**. Each of PPA Buyer and PPA Seller represents and warrants to each other and to MSCG that:

i. it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

ii. all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations**. Each Party represents to each of the other Parties:

i. **Status**. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

ii. **Powers**. It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

iii. **No Violation or Conflict**. Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any

violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

iv. **Consents**. All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

v. **Obligations Binding**. Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

vi. **Non-Reliance**. It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

vii. **Assessment and Understanding**. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

viii. **Status of Parties**. None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or electronic transmission), each of which will be deemed an original.

8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by an electronic transmission) and executed by each of the Parties or confirmed by emails or electronic messages on an electronic messaging system.

10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 3 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, any Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

11. Miscellaneous.

(a) **Governing Law**. This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the state of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of PPA Buyer to enter into and perform its obligations under this agreement shall be determined in accordance with the laws of the state of California.

(b) **U.S. Resolution Stay.** The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("**ISDA U.S. Stay Protocol**"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and this Agreement

shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, MSCG shall be deemed to be a Regulated Entity, and PPA Buyer and PPA Seller each shall be deemed to be an Adhering Party. In the event of any inconsistences between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(c) **Appendix 2 Prepaid Transaction Details**. Appendix 2 sets forth certain details relating to the commodity prepayment transaction pursuant to which the Assigned Products shall be redelivered, provided that such Appendix 2 may be updated from time to time to change the relevant commodity prepayment transaction pursuant to which the Assigned Products shall be redelivered by written notice of MSCG and PPA Buyer to PPA Seller.

(d) **Arbitration**. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**") pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of MSCG and PPA Buyer shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "**chairperson**") within thirty (30) days of the commencement of the arbitration. If either MSCG or PPA Buyer is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the MSCG and PPA Buyer-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorney's fees reasonably incurred in seeking to enforce the application of this Section 1(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 1(b), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(e) **Judicial Reference.** Without limiting the provisions in Section 1(b), if Section 1(b) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising

out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "**Dispute**") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("**CCP**"), or their successor sections (a "**Reference Proceeding**"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 1(c)i).

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "**Disputing Party**") shall provide the other Parties (the "**Responding Parties**") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "**Notice of Dispute**"). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "**Dispute Response**"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within sixty 60 days after receipt of the Dispute Response, (the "**Negotiation Period**"), then any Party may provide to the other Parties written notice of intent for judicial reference (the "**Impasse Notice**") in accordance with the further provisions of this Section 11.

ii. Applicability; Selection of Referees.

(A) Within 10 days of the delivery of an Impasse Notice, each of MSCG and PPA Buyer shall nominate one (1) referee. The two (2) referees (the "**Party-Appointed Referees**") shall appoint a third referee (the "**Third Referee**", together with the Party-Appointed Referees, the "**Referees**"). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(B) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the "**Court**"), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and MSCG shall have one (1) peremptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

v. Expenses. Each of MSCG and PPA Buyer shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between MSCG and PPA Buyer.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____
Name:_____
Title:_____

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name:_____
Title:_____

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name:_____
Title:_____

Appendix 1
Assigned Rights and Obligations

PPA: Renewable Power Purchase Agreement dated as of [____], by and between PPA Buyer and PPA Seller

Assigned Delivery Point: [Facility PNode/Settlement Point (as defined in the PPA)**]**

Further Information: PPA Seller shall continue to transfer the WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Facility Energy under the PPA, provided that the transferee of such WREGIS Certificates may be changed from time to time in accordance with the written instructions of both MSCG and PPA Buyer upon fifteen (15) Business Days' notice, which change shall be effective as of the first day of the next calendar month, unless otherwise agreed. Terms with initial capitalization used in this paragraph but not otherwise defined in this Agreement have the meaning set forth in the PPA.

[Include additional requirements, if any]

Appendix 2
Prepay Transaction Details

"**Issuer**" means California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended).

"**Prepaid Agreement**" means that certain Prepaid Energy Sales Agreement, dated as of [____], 2023, by and between Prepay Seller and Issuer.

"**Prepay Power Supply Contract**" means that certain Power Supply Contract, dated as of [____], 2023 by and between PPA Buyer and Issuer.

"**Prepay Seller**" means Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company.

Appendix 3
Notice Information
[To be completed before signing.]

Appendix 4
Copy of Power Sales Contract
[To be attached.]

EXHIBIT B

FORM OF LIMITED ASSIGNMENT AGREEMENT FOR MSCG AS PPA SUPPLIER

This Limited Assignment Agreement (this "**Agreement**") is entered into as of [____] by and among Morgan Stanley Capital Group Inc., a Delaware corporation ("**PPA Seller**"), Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the laws of the State of California ("**PPA Buyer**"), California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) ("**Issuer**"), and Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company ("**MSES**").

RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain [____], dated as of [____] (the "**PPA**");

WHEREAS, in connection with a prepaid electricity transaction between Issuer and MSES, and with effect from and including the Assignment Period Start Date (as defined below), PPA Buyer wishes to transfer by limited assignment to MSES, and MSES wishes to accept the transfer by limited assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below); and

WHEREAS, pursuant to this Agreement, MSES will receive the Assigned Product and MSES will deliver the Assigned Product to MSES, which will redeliver the Assigned Product to Issuer for ultimate redelivery to PPA Buyer; and

WHEREAS, pursuant to this Agreement, MSES will assume responsibility for the Delivered Product Payment Obligation.

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Issuer, PPA Seller, PPA Buyer and MSES (the "**Parties**" hereto; each is a "**Party**") agree as follows:

AGREEMENT

1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"**Agreement**" has the meaning specified in the first paragraph above.

"**Assigned Delivery Point**" has the meaning specified in Appendix 1.

"**Assigned Energy**" means any Electricity associated with the Assigned Product to be delivered to MSES hereunder pursuant to the Assigned Rights and Obligations.

"**Assigned Quantity**" means all Assigned Product delivered in accordance with the PPA by PPA Seller in each year during the Assignment Period.

"**Assigned Product**" includes all [Specified Source Energy]/[Carbon Free Energy] (as defined in the PPA) associated with the Assigned Quantity.

"**Assigned Product Price**" means the [Energy Price]/[Flat Price] (as defined in the PPA and specified in Appendix 1).

"**Assigned Rights and Obligations**" means (i) the rights of PPA Buyer under the PPA to receive the Assigned Quantity of Assigned Product during the Assignment Period, as such rights may be limited or further described in the "Further Information" section on Appendix 1, and (ii) the Delivered Product Payment Obligation, which right and obligation are transferred and conveyed to MSES hereunder.

"**Assignment Early Termination Date**" has the meaning specified in Section 5(b).

"**Assignment Period**" has the meaning specified in Section 5(a).

"**Assignment Period End Date**" means 11:59:59 p.m. pacific prevailing time on [____].

"**Assignment Period Start Date**" means [_____].

"**Business Day**" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. local time for the Party sending a notice, or payment, or performing a specified action.

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

"**Claims**" means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys' fees, experts' fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

"**Delivered Product Payment Obligation**" has the meaning specified in Section 3(a).

"**Electricity**" means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (MWh).

"**Government Agency**" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

"**Issuer**" has the meaning specified in the first paragraph of this Agreement.

"**Inter-SC Trade**" or "**IST**" has the meaning set forth in the CAISO Tariff.

"**Month**" means a calendar month.

"**MSES**" has the meaning specified in the first paragraph of this Agreement.

"**Person**" means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

"**PPA Buyer**" has the meaning specified in the first paragraph of this Agreement.

"**PPA Seller**" has the meaning specified in the first paragraph of this Agreement.

"**Prepaid Agreement**" means that certain Prepaid Energy Sales Agreement dated as of [____], 2023 by and between MSES and Issuer.

"**Prepay Power Supply Contract**" means that certain Prepay Power Supply Contract dated as of [____], 2023 by and between PPA Buyer and Issuer.

"**Receivables**" has the meaning given to such term in Section 3(d).

"**Retained Rights and Obligations**" has the meaning specified in Section 3.

"**Scheduling Coordinator**" or "**SC**" means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in "Responsibilities of a Scheduling Coordinator," of the CAISO Tariff, as amended from time to time.

2. Transfer and Undertakings.

(a) PPA Buyer hereby assigns, transfers and conveys to MSES all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Product during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to MSES the Assigned Rights and Obligations during the Assignment Period.

(b) PPA Seller hereby consents and agrees to PPA Buyer's assignment, transfer and conveyance of all right, title and interest in and to the Assigned Product and Assigned Rights and Obligations to MSES and the exercise and performance by MSES of the Assigned Rights and Obligations during the Assignment Period.

(c) MSES hereby accepts such assignment, transfer and conveyance of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer's rights and obligations under the PPA, and that all rights and obligations arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be "**Retained Rights and Obligations**", and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation; Invoicing**.

i. MSES's sole obligation to PPA Seller will be to pay the Assigned Product Price to PPA Seller for the Assigned Product delivered during each Month of the Assignment Period on each applicable payment date under [Section 4.2 of the Confirmation] to the PPA for a quantity determined under this Section 3(a)i (the "**Delivered Product Payment Obligation**"). PPA Buyer shall remain solely responsible for any payment obligations other than the Delivered Product Payment Obligation due under the PPA during the Assignment Period (the "**Retained Payment Obligation**"). For purposes of determining the Delivered Product Payment Obligation and other related payment obligations during the Assignment Period, each Party acknowledges and agrees as follows:

(A) the PPA provides for the delivery of the Assigned Quantity on an annual basis, but, notwithstanding the foregoing, the Assigned Quantity shall be settled on a monthly basis of the MWhs per month specified in Appendix 1 as the "Settlement Monthly Quantity" for purposes of determining amounts due under this Agreement, the Prepay Power Supply Contract and the Prepaid Agreement for each month of the Assignment Period (as further described below); and

(B) regardless of the Assigned Quantity actually delivered in any month during the Assignment Period, (I) the Delivered Product Payment Obligation shall be an amount equal to the result of (x) the Settlement Monthly Quantity, multiplied by (y) the Assigned Product Price; and (II) the payment due from PPA Buyer to Issuer under the Prepay Power Supply Contract shall be an amount equal to the result of (x) the Settlement Monthly Quantity, multiplied by (y) the Contract Price (as defined in the Prepay Power Supply Contract).

ii. PPA Seller shall deliver each monthly invoice and related supporting data during the Assignment Period to each of PPA Buyer and MSES, and each such invoice shall indicate (A) the total amount due to PPA Seller under the PPA for such Month (the "**Monthly Gross Amount**"); (B) the Delivered Product Payment Obligation; and (C) the Retained Payment Obligation, which (I) shall be determined by subtracting the Delivered

Product Payment Obligation from the Monthly Gross Amount and (II) shall reflect an amount due from PPA Buyer to the extent it is a positive number and an amount due to PPA Buyer to the extent it is a negative number; provided in addition that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice will be resolved solely between PPA Buyer and PPA Seller. The Delivered Product Payment Obligation and Retained Payment Obligation shall be administered by a custodian who will pay (1) the Monthly Gross Amount to PPA Seller on each payment due date and (2) the absolute value of the Retained Payment Obligation to PPA Buyer to the extent such amount is negative for any given Month.

(b) **Retained Rights and Obligations**. Any Claims (other than the Delivered Product Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or MSES, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA.

(c) **Scheduling**. All scheduling of Electricity associated with Assigned Product and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass to MSES upon delivery by PPA Seller at the Assigned Delivery Point in accordance with the PPA; (ii) immediately thereafter, title to such Assigned Product will pass to MSES, Issuer and then to PPA Buyer upon delivery by MSES at the same point where title is passed to MSES pursuant to clause (i) above; (iii) PPA Buyer will be deemed to be acting as MSES's agent with regard to scheduling Assigned Energy; provided, however, that PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the Facility (as defined in the PPA) and through scheduling of ISTs; and (iv) (A) PPA Buyer and PPA Seller will provide copies to MSES of (I) any notice of force majeure delivered under the PPA and (II) any notice of a default or of a breach or other event that, if not cured within an applicable grace period, could result in a default; (B) PPA Seller will provide copies to MSES of annual forecasts and monthly forecasts and generation reports delivered under the PPA; and (C) PPA Buyer and PPA Seller, as applicable, will provide copies to MSES of any other information reasonably requested by MSES relating to Assigned Product.

(d) **Amendments**. PPA Buyer and PPA Seller will provide written notice (including copies thereof) of any amendment, waiver, supplement, modification, or other changes to the PPA to MSES relating to the Assigned Rights and Obligations, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will not have any effect on MSES's rights or obligations under this Agreement until and unless MSES receives written notice thereof.

(e) **Setoff of Receivables**. Pursuant to the Prepaid Agreement, MSES has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the Prepay Power Supply Contract ("**Receivables**") in the case of non-payment by PPA Buyer. To the extent any

such Receivables relate to Assigned Product purchased by MSES pursuant to the Assigned Rights and Obligations, MSES may transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligations; provided, however, that at no time shall PPA Seller be required to pay MSES for any amounts by which such Receivables exceed any Delivered Product Payment Obligations then due and owed to PPA Seller.

(f) **Joinder to Intercreditor Agreement**. In connection with the execution of this Agreement and as a condition precedent to the effectiveness hereof, Issuer shall execute a joinder to the Intercreditor and Collateral Agency Agreement (as defined in the PPA), which will provide Issuer with certain rights under the Security Documents (as defined in the PPA). PPA Buyer agrees that it shall make payments with respect to the Assigned Quantity to Issuer under the Prepay Power Supply Contract on the 20th or preceding business day of the month following deliveries consistent with the terms thereof, and such payments will be made from PPA Buyer's available funds not pledged to the Special Fund (as defined in the PPA); provided that, in the event PPA Buyer fails to make any such payment when due, PPA Buyer shall cause such payment due to Issuer to be included as Regular Charges (as defined in the Security Documents) on the first Distribution Date Certificate (as defined in the Security Documents) to be issued thereafter. If PPA Buyer fails to do so, Issuer shall dispute such Distribution Date Certificate and otherwise pursue its rights to payment thereon pursuant to the terms of the Intercreditor and Collateral Agency Agreement. To the extent Issuer receives any amounts under the Security Documents or Intercreditor and Collateral Agency Agreement in respect of any Receivables purchased by MSES, Issuer shall (i) hold such amounts in trust for the benefit of MSES, (ii) promptly notify MSES thereof and (iii) promptly remit such amounts directly to an account specified by MSES.

4. Forward Contract.

The Parties acknowledge and agree that this Agreement constitutes a "forward contract" and that the Parties shall constitute "forward contract merchants" within the meaning of the United States Bankruptcy Code.

5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period**. The "**Assignment Period**" shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination**. An "**Assignment Early Termination Date**" will occur under the following circumstances and as of the dates specified below:

i. the assignment of the Prepay Power Supply Contract by PPA Buyer or Issuer pursuant to Article XIII thereof, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;

ii. the suspension, expiration, or termination of performance of the PPA by either PPA Buyer or PPA Seller for any reason other than the occurrence of Force Majeure

under and as defined in the PPA, which Assignment Early Termination Date shall occur immediately as of the time of PPA Seller's last performance under the PPA following such suspension, expiration, or termination;

iii. the election of MSES in its sole discretion to declare an Assignment Early Termination Date as a result of (a) any event or circumstance that would give either PPA Buyer or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether PPA Buyer or PPA Seller exercises such right) or (b) the execution of an amendment, waiver, supplement, modification or other change to the PPA that adversely affects the Assigned Rights and Obligations or MSES's rights or obligations under this Agreement (provided that MSES shall not have a right to terminate under this clause (b) to the extent that MSES (i) receives prior notice of such change and (ii) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by MSES to PPA Buyer and PPA Seller;

iv. termination or suspension of deliveries for any reason other than force majeure under the Prepaid Agreement or Prepay Power Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;

v. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if MSES fails to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for five Business Days following receipt by MSES of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to MSES, and with a copy to PPA Buyer or PPA Seller, as applicable;

vi. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against MSES seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) MSES commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or MSES consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a

custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of MSES or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur upon the earliest date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to MSES, and with a copy to PPA Buyer or PPA Seller, as applicable;

vii. either MSES or PPA Buyer may designate an Assignment Early Termination Date with written notice to the other Parties to the extent that MSES and PPA Buyer have mutually agreed upon a replacement Assignment Agreement (as defined in the Prepay Power Supply Contract) that will replace the Assigned Rights and Obligations hereunder immediately following the termination hereof, which Assignment Early Termination Date shall occur effective as of the end of the Month preceding the commencement of the "Assignment Period" under the replacement Assignment Agreement as specified in the notice from MSES or PPA Buyer to the other Parties; and

viii. PPA Buyer may deliver written notice of termination to the other Parties if any change, event or effect occurs, including but not limited a change in applicable laws or regulations, any issues with the PPA Seller or the PPA, a dispute under the PPA or other similar circumstance, that individually or collectively have or are reasonably expected by PPA Buyer to have a material adverse effect upon (A) the PPA Buyer, (B) its rights and obligations under this Agreement, the Prepay Power Supply Contract, or the PPA, or (C) the benefit the PPA Buyer is receiving by assigning the Assigned Rights and Obligations, with such Assignment Early Termination Date to be the date set forth in a written notice delivered by PPA Buyer to the other Parties; provided that (x) PPA Buyer will provide notice to the other Parties as soon as is reasonably possible that PPA Buyer anticipates exercising this termination right, and (y) PPA Buyer shall exercise commercially reasonable efforts to propose and agree with MSES upon a replacement Assignment Agreement prior to exercising this termination right.

(c) **Reversion of Assigned Rights and Obligations**. The parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations will revert from MSES to PPA Buyer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from MSES to PPA Buyer, provided that (i) MSES shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to MSES prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

6. Representations and Warranties.

(a) **Copy of PPA**. PPA Seller and PPA Buyer represent and warrant to MSES that a true, complete, and correct copy of the PPA is attached hereto as Appendix 3.

(b) **No Default**. PPA Seller and PPA Buyer represent and warrant to MSES that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder.

(c) **Other**. Each of PPA Buyer and PPA Seller represents and warrants to each other and to MSES that:

i. it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

ii. all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations**. Each Party represents to each of the other Parties:

i. **Status**. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

ii. **Powers**. It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

iii. **No Violation or Conflict**. Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

iv. **Consents**. All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

v. **Obligations Binding**. Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

vi. **Non-Reliance**. It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

vii. **Assessment and Understanding**. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

viii. **Status of Parties**. None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or electronic transmission), each of which will be deemed an original.

8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by an electronic transmission) and executed by each of the Parties or confirmed by emails or electronic messages on an electronic messaging system.

10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, any Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

11. Miscellaneous.

(a) **Governing Law**. This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the state of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of PPA Buyer to enter into and perform its obligations under this agreement shall be determined in accordance with the laws of the state of California.

(b) **U.S. Resolution Stay.** The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("**ISDA U.S. Stay Protocol**"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, MSES and PPA Seller shall each be deemed to be a Regulated Entity, and PPA Buyer shall be deemed to be an Adhering Party. In the event of any inconsistences between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(c) **Reserved**.

(d) **Arbitration**. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**") pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of PPA Seller and PPA Buyer shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "**chairperson**") within thirty (30) days of the commencement of the arbitration. If either PPA Seller or PPA Buyer is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the PPA Seller and PPA Buyer-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be

a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorney's fees reasonably incurred in seeking to enforce the application of this Section 1(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 1(b), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(e) **Judicial Reference.** Without limiting the provisions in Section 1(b), if Section 1(b) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "**Dispute**") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("**CCP**"), or their successor sections (a "**Reference Proceeding**"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 1(c)i).

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "**Disputing Party**") shall provide the other Parties (the "**Responding Parties**") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "**Notice of Dispute**"). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "**Dispute Response**"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within sixty 60 days after receipt of the Dispute Response, (the "**Negotiation Period**"), then any Party may provide to the other Parties written notice of intent for judicial reference (the "**Impasse Notice**") in accordance with the further provisions of this Section 11.

ii. Applicability; Selection of Referees.

(A) Within 10 days of the delivery of an Impasse Notice, each of PPA Seller and PPA Buyer shall nominate one (1) referee. The two (2) referees (the "**Party-Appointed Referees**") shall appoint a third referee (the "**Third Referee**", together with the Party-Appointed Referees, the "**Referees**"). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(B) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the "**Court**"), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and PPA Seller shall have one (1) peremptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

v. Expenses. Each of PPA Seller and PPA Buyer shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between PPA Seller and PPA Buyer.

(f) **Limitation of Liability.** Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name:_____
Title:_____

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name:_____
Title:_____

MORGAN STANLEY ENERGY STRUCTURING, L.L.C.

By: _____
Name:_____
Title:_____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name:_____
Title:_____

Appendix 1
Assigned Rights and Obligations

PPA: Master Power Purchase and Sale Agreement dated as of [____] and the Confirmation thereunder dated as of [____], by and between PPA Buyer and PPA Seller

Assigned Delivery Point: [NP15 EZ GEN HUB)]

Assigned Product Price: [To list applicable Energy Price or Flat Price specified in the PPA]

Further Information: [Include additional requirements, if any]

Appendix 2
Notice Information
[To be completed before signing.]

Appendix 3
Copy of Power Sales Contract
[To be attached.]

LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this "**Agreement**") is entered into as of [____], 2023 by and among Morgan Stanley Capital Group Inc., a Delaware corporation ("**PPA Seller**"), Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the laws of the State of California ("**PPA Buyer**"), California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) ("**Issuer**"), and Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company ("**MSES**").

RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain Master Power Purchase and Sale Agreement dated November 23, 2016, as amended on June 1, 2021, and the Carbon Free Product Confirmation thereunder dated as of [____] (the "**PPA**");

WHEREAS, in connection with a prepaid electricity transaction between Issuer and MSES, and with effect from and including the Assignment Period Start Date (as defined below), PPA Buyer wishes to transfer by limited assignment to MSES, and MSES wishes to accept the transfer by limited assignment of, the Assigned Rights and Obligations (as defined below) for the duration of the Assignment Period (as defined below); and

WHEREAS, pursuant to this Agreement, MSES will receive the Assigned Product and MSES will deliver the Assigned Product to MSES, which will redeliver the Assigned Product to Issuer for ultimate redelivery to PPA Buyer; and

WHEREAS, pursuant to this Agreement, MSES will assume responsibility for the Delivered Product Payment Obligation.

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Issuer, PPA Seller, PPA Buyer and MSES (the "**Parties**" hereto; each is a "**Party**") agree as follows:

AGREEMENT

1. Definitions.

The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"**Agreement**" has the meaning specified in the first paragraph above.

"**Assigned Delivery Point**" has the meaning specified in Appendix 1.

"**Assigned Energy**" means any Electricity associated with the Assigned Product to be delivered to MSES hereunder pursuant to the Assigned Rights and Obligations.

"**Assigned Quantity**" means all Assigned Product delivered in accordance with the PPA by PPA Seller in each year during the Assignment Period.

"**Assigned Product**" includes all [Carbon Free Energy (as defined in the PPA)] associated with the Assigned Quantity.

"**Assigned Product Price**" means the Energy Price (as defined in the PPA and specified in Appendix 1).

"**Assigned Rights and Obligations**" means (i) the rights of PPA Buyer under the PPA to receive the Assigned Quantity of Assigned Product during the Assignment Period, as such rights may be limited or further described in the "Further Information" section on Appendix 1, and (ii) the Delivered Product Payment Obligation, which right and obligation are transferred and conveyed to MSES hereunder.

"**Assignment Early Termination Date**" has the meaning specified in Section 5(b).

"**Assignment Period**" has the meaning specified in Section 5(a).

"**Assignment Period End Date**" means 11:59:59 p.m. pacific prevailing time on [____].

"**Assignment Period Start Date**" means means 00:00 pacific prevailing time on [____].

"**Business Day**" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. local time for the Party sending a notice, or payment, or performing a specified action.

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

"**Claims**" means all claims or actions, threatened or filed, and the resulting losses, damages, expenses, attorneys' fees, experts' fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement, in each case arising under, in respect of or related in any way to the PPA or any transaction thereunder, except for the Delivered Product Payment Obligation.

"**Delivered Product Payment Obligation**" has the meaning specified in Section 3(a).

"**Electricity**" means three-phase, 60-cycle alternating current electric energy, expressed in megawatt hours (MWh).

"**Government Agency**" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

"**Issuer**" has the meaning specified in the first paragraph of this Agreement.

"**Inter-SC Trade**" or "**IST**" has the meaning set forth in the CAISO Tariff.

"**Month**" means a calendar month.

"**MSES**" has the meaning specified in the first paragraph of this Agreement.

"**Person**" means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

"**PPA Buyer**" has the meaning specified in the first paragraph of this Agreement.

"**PPA Seller**" has the meaning specified in the first paragraph of this Agreement.

"**Prepaid Agreement**" means that certain Prepaid Energy Sales Agreement dated as of the date hereof by and between MSES and Issuer.

"**Prepay Power Supply Contract**" means that certain Prepay Power Supply Contract dated as of the date hereof by and between PPA Buyer and Issuer.

"**Receivables**" has the meaning given to such term in Section 3(e).

"**Retained Rights and Obligations**" has the meaning specified in Section 3.

"**Scheduling Coordinator**" or "**SC**" means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in "Responsibilities of a Scheduling Coordinator," of the CAISO Tariff, as amended from time to time.

2. Transfer and Undertakings.

(a) PPA Buyer hereby assigns, transfers and conveys to MSES all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Product during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to MSES the Assigned Rights and Obligations during the Assignment Period.

(b) PPA Seller hereby consents and agrees to PPA Buyer's assignment, transfer and conveyance of all right, title and interest in and to the Assigned Product and Assigned Rights and Obligations to MSES and the exercise and performance by MSES of the Assigned Rights and Obligations during the Assignment Period.

(c) MSES hereby accepts such assignment, transfer and conveyance of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer's rights and obligations under the PPA, and that all rights and obligations arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be "**Retained Rights and Obligations**", and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation; Invoicing**.

i. MSES's sole obligation to PPA Seller will be to pay the Assigned Product Price to PPA Seller for the Assigned Product delivered during each Month of the Assignment Period on each applicable payment date under Section 5.2 of the Confirmation to the PPA for a quantity determined under this Section 3(a)i (the "**Delivered Product Payment Obligation**"). PPA Buyer shall remain solely responsible for any payment obligations other than the Delivered Product Payment Obligation due under the PPA during the Assignment Period (the "**Retained Payment Obligation**"). For purposes of determining the Delivered Product Payment Obligation and other related payment obligations during the Assignment Period, each Party acknowledges and agrees as follows:

(A) the PPA provides for the delivery of the Assigned Quantity on an annual basis, but, notwithstanding the foregoing, the Assigned Quantity shall be settled on a monthly basis of the MWhs per month specified in Appendix 1 as the "Settlement Monthly Quantity" for purposes of determining amounts due under this Agreement, the Prepay Power Supply Contract and the Prepaid Agreement for each month of the Assignment Period (as further described below); and

(B) regardless of the Assigned Quantity actually delivered in any month during the Assignment Period, (I) the Delivered Product Payment Obligation shall be an amount equal to the result of (x) the Settlement Monthly Quantity, multiplied by (y) the Assigned Product Price; and (II) the payment due from PPA Buyer to Issuer under the Prepay Power Supply Contract shall be an amount equal to the result of (x) the Settlement Monthly Quantity, multiplied by (y) the Contract Price (as defined in the Prepay Power Supply Contract).

ii. PPA Seller shall deliver each monthly invoice and related supporting data during the Assignment Period to each of PPA Buyer and MSES, and each such invoice shall indicate (A) the total amount due to PPA Seller under the PPA for such Month (the "**Monthly Gross Amount**"); (B) the Delivered Product Payment Obligation; and (C) the Retained Payment Obligation, which (I) shall be determined by subtracting the Delivered Product Payment Obligation from the Monthly Gross Amount and (II) shall reflect an

amount due from PPA Buyer to the extent it is a positive number and an amount due to PPA Buyer to the extent it is a negative number; provided in addition that any payment adjustments or subsequent reconciliations occurring after the date that is 10 days prior to the payment due date for a monthly invoice will be resolved solely between PPA Buyer and PPA Seller. The Delivered Product Payment Obligation and Retained Payment Obligation shall be administered by a custodian who will pay (1) the Monthly Gross Amount to PPA Seller on each payment due date and (2) the absolute value of the Retained Payment Obligation to PPA Buyer to the extent such amount is negative for any given Month.

(b) **Retained Rights and Obligations**. Any Claims (other than the Delivered Product Payment Obligation or a failure to perform the same) arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or MSES, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations and any such Claims will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA.

(c) **Scheduling**. All scheduling of Electricity associated with Assigned Product and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that (i) title to Assigned Product will pass to MSES upon delivery by PPA Seller at the Assigned Delivery Point in accordance with the PPA; (ii) immediately thereafter, title to such Assigned Product will pass to MSES, Issuer and then to PPA Buyer upon delivery by MSES at the same point where title is passed to MSES pursuant to clause (i) above; (iii) PPA Buyer will be deemed to be acting as MSES's agent with regard to scheduling Assigned Energy; provided, however, that PPA Buyer shall be entitled to retain for its own account all CAISO revenues associated with delivery of the Assigned Product to CAISO, including where PPA Buyer is acting as Scheduling Coordinator for the Facility (as defined in the PPA) and through scheduling of ISTs; and (iv) (A) PPA Buyer and PPA Seller will provide copies to MSES of (I) any notice of force majeure delivered under the PPA and (II) any notice of a default or of a breach or other event that, if not cured within an applicable grace period, could result in a default; (B) PPA Seller will provide copies to MSES of annual forecasts and monthly forecasts and generation reports delivered under the PPA; and (C) PPA Buyer and PPA Seller, as applicable, will provide copies to MSES of any other information reasonably requested by MSES relating to Assigned Product.

(d) **Amendments**. PPA Buyer and PPA Seller will provide written notice (including copies thereof) of any amendment, waiver, supplement, modification, or other changes to the PPA to MSES relating to the Assigned Rights and Obligations, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will not have any effect on MSES's rights or obligations under this Agreement until and unless MSES receives written notice thereof.

(e) **Setoff of Receivables**. Pursuant to the Prepaid Agreement, MSES has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the Prepay Power Supply Contract ("**Receivables**") in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Product purchased by MSES pursuant to the Assigned Rights

and Obligations, MSES may transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligations; provided, however, that at no time shall PPA Seller be required to pay MSES for any amounts by which such Receivables exceed any Delivered Product Payment Obligations then due and owed to PPA Seller.

(f) **Joinder to Intercreditor Agreement**. In connection with the execution of this Agreement and as a condition precedent to the effectiveness hereof, Issuer shall execute a joinder to the Intercreditor and Collateral Agency Agreement (as defined in the PPA), which will provide Issuer with certain rights under the Security Documents (as defined in the PPA). PPA Buyer agrees that it shall make payments with respect to the Assigned Quantity to Issuer under the Prepay Power Supply Contract on the 20th or preceding business day of the month following deliveries consistent with the terms thereof, and such payments will be made from PPA Buyer's available funds not pledged to the Special Fund (as defined in the PPA); provided that, in the event PPA Buyer fails to make any such payment when due, PPA Buyer shall cause such payment due to Issuer to be included as Regular Charges (as defined in the Security Documents) on the first Distribution Date Certificate (as defined in the Security Documents) to be issued thereafter. If PPA Buyer fails to do so, Issuer shall dispute such Distribution Date Certificate and otherwise pursue its rights to payment thereon pursuant to the terms of the Intercreditor and Collateral Agency Agreement. To the extent Issuer receives any amounts under the Security Documents or Intercreditor and Collateral Agency Agreement in respect of any Receivables purchased by MSES, Issuer shall (i) hold such amounts in trust for the benefit of MSES, (ii) promptly notify MSES thereof and (iii) promptly remit such amounts directly to an account specified by MSES.

4. Forward Contract.

The Parties acknowledge and agree that this Agreement constitutes a "forward contract" and that the Parties shall constitute "forward contract merchants" within the meaning of the United States Bankruptcy Code.

5. Assignment Period; Assignment Early Termination.

(a) **Assignment Period**. The "**Assignment Period**" shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date.

(b) **Early Termination**. An "**Assignment Early Termination Date**" will occur under the following circumstances and as of the dates specified below:

i. the assignment of the Prepay Power Supply Contract by PPA Buyer or Issuer pursuant to Article XIII thereof, which Assignment Early Termination Date shall occur immediately as of the time of such assignment;

ii. the suspension, expiration, or termination of performance of the PPA by either PPA Buyer or PPA Seller for any reason other than the occurrence of Force Majeure under and as defined in the PPA, which Assignment Early Termination Date shall occur

immediately as of the time of PPA Seller's last performance under the PPA following such suspension, expiration, or termination;

iii. the election of MSES in its sole discretion to declare an Assignment Early Termination Date as a result of (a) any event or circumstance that would give either PPA Buyer or PPA Seller the right to terminate or suspend performance under the PPA (regardless of whether PPA Buyer or PPA Seller exercises such right) or (b) the execution of an amendment, waiver, supplement, modification or other change to the PPA that adversely affects the Assigned Rights and Obligations or MSES's rights or obligations under this Agreement (provided that MSES shall not have a right to terminate under this clause (b) to the extent that MSES (i) receives prior notice of such change and (ii) provides its written consent thereto), which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by MSES to PPA Buyer and PPA Seller;

iv. termination or suspension of deliveries for any reason other than force majeure under the Prepaid Agreement or Prepay Power Supply Contract, which Assignment Early Termination Date shall occur immediately as of the time of the last deliveries under the relevant contract following such suspension or termination;

v. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if MSES fails to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for five Business Days following receipt by MSES of written notice thereof, which Assignment Early Termination Date shall occur upon the date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to MSES, and with a copy to PPA Buyer or PPA Seller, as applicable;

vi. the election of PPA Seller or PPA Buyer in its sole discretion to declare an Assignment Early Termination Date if either (a) an involuntary case or other proceeding is commenced against MSES seeking liquidation, reorganization or other relief with respect to it or its debts under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar law now or hereafter in effect or seeking the appointment of a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed, or an order or decree approving or ordering any of the foregoing is entered and continued unstayed and in effect, in any such event, for a period of 60 days, or (b) MSES commences a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or other similar law or any other case or proceeding to be adjudicated as bankrupt or insolvent, or MSES consents to the entry of a decree or order for relief in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, files a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or consents to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of MSES

or any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due, which Assignment Early Termination Date shall occur upon the earliest date set forth in a written notice of such election delivered by PPA Seller or PPA Buyer, as applicable, to MSES, and with a copy to PPA Buyer or PPA Seller, as applicable;

vii. either MSES or PPA Buyer may designate an Assignment Early Termination Date with written notice to the other Parties to the extent that MSES and PPA Buyer have mutually agreed upon a replacement Assignment Agreement (as defined in the Prepay Power Supply Contract) that will replace the Assigned Rights and Obligations hereunder immediately following the termination hereof, which Assignment Early Termination Date shall occur effective as of the end of the Month preceding the commencement of the "Assignment Period" under the replacement Assignment Agreement as specified in the notice from MSES or PPA Buyer to the other Parties; and

viii. PPA Buyer may deliver written notice of termination to the other Parties if any change, event or effect occurs, including but not limited a change in applicable laws or regulations, any issues with the PPA Seller or the PPA, a dispute under the PPA or other similar circumstance, that individually or collectively have or are reasonably expected by PPA Buyer to have a material adverse effect upon (A) the PPA Buyer, (B) its rights and obligations under this Agreement, the Prepay Power Supply Contract, or the PPA, or (C) the benefit the PPA Buyer is receiving by assigning the Assigned Rights and Obligations, with such Assignment Early Termination Date to be the date set forth in a written notice delivered by PPA Buyer to the other Parties; provided that (x) PPA Buyer will provide notice to the other Parties as soon as is reasonably possible that PPA Buyer anticipates exercising this termination right, and (y) PPA Buyer shall exercise commercially reasonable efforts to propose and agree with MSES upon a replacement Assignment Agreement prior to exercising this termination right.

(c) **Reversion of Assigned Rights and Obligations**. The parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date the Assigned Rights and Obligations will revert from MSES to PPA Buyer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from MSES to PPA Buyer, provided that (i) MSES shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to MSES prior to the Assignment Early Termination Date, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date.

6. Representations and Warranties.

(a) **Copy of PPA**. PPA Seller and PPA Buyer represent and warrant to MSES that a true, complete, and correct copy of the PPA is attached hereto as Appendix 3.

(b) **No Default**. PPA Seller and PPA Buyer represent and warrant to MSES that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder.

(c) **Other**. Each of PPA Buyer and PPA Seller represents and warrants to each other and to MSES that:

i. it has made no prior transfer (whether by way of security or otherwise) of any interest in the Assigned Rights and Obligations; and

ii. all obligations of PPA Buyer and PPA Seller under the PPA required to be performed on or before the Assignment Period Start Date have been fulfilled.

(d) **Representations**. Each Party represents to each of the other Parties:

i. **Status**. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

ii. **Powers**. It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

iii. **No Violation or Conflict**. Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

iv. **Consents**. All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

v. **Obligations Binding**. Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

vi. **Non-Reliance**. It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

vii. **Assessment and Understanding**. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

viii. **Status of Parties**. None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

7. Counterparts.

This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile or electronic transmission), each of which will be deemed an original.

8. Costs and Expenses.

The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

9. Amendments.

No amendment, modification, or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by an electronic transmission) and executed by each of the Parties or confirmed by emails or electronic messages on an electronic messaging system.

10. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 2 hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, any Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

11. Miscellaneous.

(a) **Governing Law**. This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the state of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of PPA Buyer to enter into and perform its obligations under this agreement shall be determined in accordance with the laws of the state of California.

(b) **U.S. Resolution Stay.** The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("**ISDA U.S. Stay Protocol**"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, MSES and PPA Seller shall each be deemed to be a Regulated Entity, and PPA Buyer shall be deemed to be an Adhering Party. In the event of any inconsistences between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

(c) **Reserved**.

(d) **Arbitration**. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**") pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of PPA Seller and PPA Buyer shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "**chairperson**") within thirty (30) days of the commencement of the arbitration. If either PPA Seller or PPA Buyer is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the PPA Seller and PPA Buyer-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be

a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorney's fees reasonably incurred in seeking to enforce the application of this Section 11(d) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 11(d), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(e) **Judicial Reference.** Without limiting the provisions in Section 11(d), if Section 11(d) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "**Dispute**") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("**CCP**"), or their successor sections (a "**Reference Proceeding**"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 11(e)i).

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "**Disputing Party**") shall provide the other Parties (the "**Responding Parties**") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "**Notice of Dispute**"). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "**Dispute Response**"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within sixty 60 days after receipt of the Dispute Response, (the "**Negotiation Period**"), then any Party may provide to the other Parties written notice of intent for judicial reference (the "**Impasse Notice**") in accordance with the further provisions of this Section 11.

ii. Applicability; Selection of Referees.

(A) Within 10 days of the delivery of an Impasse Notice, each of PPA Seller and PPA Buyer shall nominate one (1) referee. The two (2) referees (the "**Party-Appointed Referees**") shall appoint a third referee (the "**Third Referee**", together with the Party-Appointed Referees, the "**Referees**"). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

(B) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the "**Court**"), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and PPA Seller shall have one (1) peremptory challenge to the referee selected by the Court.

iii. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

iv. Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

v. Expenses. Each of PPA Seller and PPA Buyer shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between PPA Seller and PPA Buyer.

(f) **Limitation of Liability.** Notwithstanding anything to the contrary herein, all obligations of Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name:_____
Title:_____

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name:_____
Title:_____

MORGAN STANLEY ENERGY STRUCTURING, L.L.C.

By: _____
Name:_____
Title:_____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name:_____
Title:_____

Appendix 1
Assigned Rights and Obligations

PPA: Master Power Purchase and Sale Agreement, dated November 23, 2016, as amended on June 1, 2021, and the Carbon Free Product Confirmation thereunder, dated as of [____], by and between PPA Buyer and PPA Seller

Assigned Delivery Point: [NP15 EZ GEN HUB]

Assigned Product Price: [CAISO NP15 Day Ahead Index for Hour Ending 01 through Hour Ending 24]

Settlement Monthly Quantity: As set forth in the table immediately below.

[Table to be provided at pricing.]

Appendix 2
Notice Information

IF TO PPA SELLER:	As set forth in the PPA
IF TO MSES:	Morgan Stanley Energy Structuring, L.L.C. 1585 Broadway New York, NY 10036-8293 Email: [____]
IF TO ISSUER:	California Community Choice Financing Authority 1125 Tamalpais Avenue San Rafael, CA 94901 Email: [____]@cccfa.org
IF TO PPA BUYER:	As set forth in the PPA

Appendix 3
Copy of Power Sales Contract
[To be attached.]

Chapman Draft 09.22.23

PREPAID ENERGY PROJECT ADMINISTRATION AGREEMENT

This Prepaid Energy Project Administration Agreement (this "Agreement") is made and entered into as of [_____ __], 2023, by and between California Community Choice Financing Authority ("CCCFA") and Silicon Valley Clean Energy Authority ("SVCE"), with respect to the Prepaid Energy Project (defined below). CCCFA and SVCE may be referred to individually herein as a "Party" and collectively as the "Parties". Capitalized terms used herein (including in the following Recitals) have the meanings given to such terms in Section 1.

W I T N E S S E T H:

WHEREAS, SVCE is a "community choice aggregator" under the Public Utilities Code; and

WHEREAS, SVCE and certain other community choice aggregators have created CCCFA as a joint exercise of powers authority under and pursuant to the Act and the Joint Powers Agreement; and

WHEREAS, CCCFA's purpose is to assist its Members (as defined in the Joint Powers Agreement), including SVCE, by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations on behalf of one or more of the Members by, among other things, issuing or incurring Bonds (as such term is defined in the Joint Powers Agreement) and entering into related contracts with Members; and

WHEREAS, CCCFA and SVCE are entering into a Power Supply Contract pursuant to which CCCFA has agreed to supply Energy to SVCE under the terms set forth therein; and

WHEREAS, in order to provide such Energy to SVCE under the Power Supply Contract, CCCFA is entering into the Prepaid Agreement with MSES, under which it will make a prepayment to MSES for the purchase and delivery of such Energy; and

WHEREAS, CCCFA will finance the prepayment under the Prepaid Agreement and related costs by issuing the Bonds pursuant to the Indenture; and

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Defined Terms. Capitalized terms used herein shall have the meanings set forth below:

"Act" means Chapter 5 of Division 7 of Title 1 of the California Government Code, being Section 6500 and following, as amended.

"Alternate Energy Delivery Point" has the meaning specified in Section 5.1(a) of the Power Supply Contract.

"Annual Refund" means the annual refund, if any, to be provided to SVCE pursuant to Section 3.2(c) of the Power Supply Contract.

"Assigned Delivery Point" has the meaning specified in the Assignment Agreement.

"Assigned Energy" has the meaning specified in the Assignment Agreement.

"Assigned Product" means Assigned Energy and associated renewable energy credits, green energy attributes and any other product included in the Assignment Agreement.

"Assignment Agreement" means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

"Assignment Letter Agreement" has the meaning specified in the Power Supply Contract.

"Base Energy" means Energy to be delivered to an Energy Delivery Point.

"Bonds" means the bonds issued by CCCFA pursuant to the Indenture on or about the date of this Agreement in order to finance the prepayment required to be made to MSES under the Prepaid Agreement and related costs of the Prepaid Energy Project, and any bonds issued to refund such bonds.

"CCCFA" means California Community Choice Financing Authority, a joint exercise of powers authority created under and pursuant to the Act and the Joint Powers Agreement.

"CCCFA Commodity Swap" means the ISDA Master Agreement, Schedule and transaction Confirmation entered into by CCCFA and the swap counterparty named therein, and any replacement swap entered into pursuant to the Prepaid Agreement.

"Contract Quantity" means the quantity of Base Energy or Assigned Energy, as applicable, specified in Exhibits A-1 and A-2 of the Power Supply Contract, as such Exhibits A-1 and A-2 may be updated from time to time in accordance with the terms of the Power Supply Contract.

"Energy" means three-phase, 60-cycle alternating current electric energy, expressed in megawatt-hours.

"Energy Delivery Point" means the delivery point for delivery of SVCE's Contract Quantity as specified in the Power Supply Contract, and shall include, if applicable, any Assigned Delivery Point and any Alternate Delivery Point for SVCE.

"Indenture" means the Trust Indenture, dated as of [_____] 1, 2023, between CCCFA and the Trustee, as amended, restated, supplemented or otherwise modified from time to time.

"Initial Assignment Agreement" with respect to SVCE, the initial assignment agreement or agreements specified in the Power Supply Contract.

"Joint Powers Agreement" means the Joint Powers Agreement by and among the Members of CCCFA named therein, including SVCE, providing for the creation, purposes and powers of CCCFA, as the same may be amended or supplemented from time to time in accordance with its terms.

"MSES" means Morgan Stanley Energy Structuring L.L.C., its successors and permitted assigns.

"Power Supply Contract" means the Power Supply Contract, dated [_____ __], 2023, between CCCFA and SVCE relating to the purchase by SVCE of Energy acquired by CCCFA pursuant to the Prepaid Agreement, as amended, restated, supplemented or otherwise modified from time to time.

"Prepaid Agreement" means the Prepaid Energy Sales Agreement, dated [_____ __], 2023, between CCCFA, as buyer, and MSES, as seller, as amended, restated, supplemented or otherwise modified from time to time.

"Prepaid Energy Project" means the issuance of the Bonds by CCCFA pursuant to the Indenture, the acquisition of Energy and related undertakings of CCCFA under the Prepaid Agreement and the Indenture, and the sale to SVCE of such Energy and related undertakings of CCCFA under the Power Supply Contract.

"Public Utilities Code" means the Public Utilities Code of the State of California, as amended.

"Qualifying Use Requirements" has the meaning set forth in Section 1.1 of the Power Supply Contract.

"Re-Pricing Agreement" means the Re-Pricing Agreement, dated as of the date of issuance of the Bonds, by and between CCCFA and MSES.

"Schedule", "Scheduled" or "Scheduling" means the actions of a Party and/or its designated representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

"SVCE" means Silicon Valley Clean Energy Authority, a community choice aggregator as defined in Section 331.1 of the Public Utilities Code.

"Tax Certificate and Agreement" means the Tax Certificate and Agreement executed and delivered by CCCFA in connection with the issuance of the Bonds relating to certain federal income tax compliance requirements relating to the Prepaid Energy Project.

"Transmission Provider(s)" means any entity or entities transmitting or transporting Energy on behalf of a Party to or from an Energy Delivery Point.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and its successors as Trustee under the Indenture.

Section 2. Assignment Agreements. With respect to any Assignment Agreement, the Parties acknowledge and agree as follows:

(a) as of the date of this Agreement, SVCE has entered into the Initial Assignment Agreement specified in the Power Supply Contract with respect to its entire Contract Quantity;

(b) subject to the terms of the applicable Assignment Letter Agreement, SVCE may from time to time enter into additional Assignment Agreements with respect to all or a portion of its Contract Quantity; and

(c) SVCE shall determine, independent of CCCFA, when and if any Assignment Agreement is entered into or terminated and the underlying agreement and portion of its Contract Quantity to which such Assignment Agreement relates.

Section 3. Scheduling and Delivery of Assigned Energy. Assigned Energy and any other Assigned Product delivered to CCCFA under the Prepaid Agreement that is attributable to an Assignment Agreement(s) entered into by SVCE shall be attributable to SVCE under the Power Supply Contract, and CCCFA shall have no responsibility for (a) any Scheduling or other operational requirements necessary for the delivery of Assigned Energy to SVCE's Assigned Delivery Point and the transfer of other Assigned Product to SVCE, or (b) any accounting for under-deliveries or over-deliveries or other record-keeping requirements with respect to any Assigned Energy and other Assigned Product, all of which shall be the sole responsibility of SVCE pursuant to the related Assignment Agreement(s).

Section 4. Qualified Use; Remarketing of Base Energy. As provided in the Power Supply Contract, any portion of SVCE's Contract Quantity that is not delivered as Assigned Energy is required to be delivered as Base Energy and simultaneously remarketed by MSES pursuant to the Prepaid Agreement. SVCE shall be responsible for accounting for any portion of SVCE's Contract Quantity deemed delivered as Base Energy and subsequently remarketed, including accounting for any remediation of any such remarketing sales as may be required pursuant to the Qualifying Use Requirements. SVCE agrees to provide to CCCFA any information reasonably requested by it in order to comply with any reporting or record-keeping requirements related to such deemed deliveries and remarketing of Base Energy, including such information relating to compliance with the Qualifying Use Requirements, as may be required pursuant to the Prepaid Agreement, the Indenture or the Tax Certificate and Agreement.

Section 5. CCCFA Commodity Swap. CCCFA shall not take any action to terminate or designate the early termination of the CCCFA Commodity Swap except in accordance with written instructions of SVCE or unless otherwise required under the terms of the Prepaid Agreement.

Section 6. Directions, Consents and Waivers. CCCFA may be requested or required from time to time to provide certain directions, consents, or waivers under the terms of the

Prepaid Agreement, the Indenture and the Re-pricing Agreement. In the event any such direction, consent or waiver relates solely to the Contract Quantity and/or Power Supply Contract of SVCE and no event of default has occurred and is continuing with respect to SVCE under the Power Supply Contract, such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions provided by SVCE. Otherwise, any such direction, consent or waiver shall only be provided by CCCFA in accordance with written instructions of SVCE.

Section 7. Re-pricing Information. CCCFA shall provide, or cause MSES to provide, to SVCE such information as is required to be provided by MSES to CCCFA in accordance the Re-pricing Agreement at such times as are required under the Re-pricing Agreement.

Section 9. Project Administration Fee; Reimbursement and Refund of Operating Expenses.

(a) Under Section 3.2(b) of the Power Supply Contract, SVCE is required to include in its payment to CCCFA in January of each year, commencing January 2024, an annual Project Administration Fee in the amount specified therein, determined by CCCFA based on the budgeted Operating Expenses of CCCFA for the next succeeding annual period. CCCFA agrees to allocate amounts received in respect of the Project Administration Fee to pay Operating Expenses (as defined in the Indenture) as the same become due and payable during such annual period. In the event amounts paid in respect of the Project Administration Fee are not sufficient to pay such Operating Expenses when due, SVCE agrees to pay such additional amounts as are necessary to pay such Operating Expenses upon receipt of notice of the amount due from the Trustee or CCCFA.

(b) As soon as practicable following the end of each annual period referred to in paragraph (a), CCCFA agrees to reconcile the amounts received in respect of the Project Administrative Fee for such annual period with the Operating Expenses paid or accrued for such period. In the event that, following each such reconciliation, it is determined that the amounts received in respect of the Project Administration Fee during the applicable annual period exceed Operating Expenses paid or accrued for such period, CCCFA will provide written notice thereof to SVCE and include the amount of such excess in its Annual Refund to SVCE under the Power Supply Contract.

Section 10. Notices. Notices and other information to be provided by a Party to any other Party under this Agreement shall be provided in accordance with Article XVI of the Power Supply Contract.

Section 11. Governing Law. This Agreement and the obligations of the Parties hereunder shall be governed by and determined in accordance with the laws of the State of California.

Section 12. Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name: _____
Title: _____

CUSTODIAL AGREEMENT

This Custodial Agreement (this "Agreement") is made and entered into as of [____], 2023, by and among California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) (defined below) (the "Issuer"), Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the laws of the State of California ("Participant"), Morgan Stanley Capital Group Inc., a Delaware corporation ("MSCG"), Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company ("MSES"), and The Bank of New York Mellon Trust Company, N.A., a national banking association, (the "Custodian" and together with the Issuer, Participant, MSES and MSCG, the "Parties", and each individually, a "Party").

RECITALS:

WHEREAS, the Issuer is issuing its Clean Energy Project Revenue Bonds, Series 2023[__] (the "Bonds") pursuant to the Trust Indenture, dated as of [____], 2023 (the "Bond Indenture") between Issuer and The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee under the Bond Indenture (the "Trustee"); and

WHEREAS, MSES and Issuer are entering into that certain Prepaid Energy Sales Agreement, dated as of [____], 2023 (the "Prepaid Agreement"); and

WHEREAS, in connection with the execution of the Prepaid Agreement, MSES and MSCG are entering into an Energy Management Agreement, dated as of [____], 2023 (the "Energy Management Agreement"); and

WHEREAS, in connection with the execution of the Prepaid Agreement, Issuer and Participant are entering into a Power Supply Agreement, dated as of [____], 2023 (the "Power Supply Agreement" and together with the Prepaid Agreement and the Energy Management Agreement, the "Prepay Supply Contracts"); and

WHEREAS, in connection with or subsequent to the execution of the Prepay Supply Contracts, MSCG, Issuer and Participant may enter into one or more Limited Assignment Agreements (the "Assignment Agreements") pursuant to which Participant partially assigns its rights and obligations under its power supply contracts ("Assigned PPAs") for redelivery of energy and other specified products pursuant to the Prepay Supply Contracts; and

WHEREAS, the Parties propose to enter into this Custodial Agreement in order to administer payments to be received by the sellers under the Assigned PPAs (each, individually, a "PPA Seller" and collectively the "PPA Sellers", and which definitions shall include any new PPA Seller identified by MSCG's delivery of an updated Exhibit A consistent with Section 3(c)).

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Section 1. Defined Terms.

(a) Any capitalized term used herein and not otherwise defined herein (including in the recitals) shall have the meaning assigned to such term in the Power Supply Agreement. The following additional terms, when used in this Agreement (including the preamble or recitals to this Agreement) and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"Assignment Period" has the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

"Assigned Product Price" has the meaning specified in Exhibit A, as may be updated from time to time consistent with the terms hereof.

"Custodial Agreement Payment Date" means the last Business Day preceding the PPA Monthly Statement Payment Date.

"Delivered Product Payment Amount" means, in respect of each PPA Monthly Statement, an amount equal to the lesser of (a) the Monthly Projected Quantity under the relevant Assigned PPA for such Month multiplied by the Assigned Product Price for such Assigned PPA, and (b) the actual quantity of Assigned Product reflected in such Monthly PPA Invoice multiplied by the Assigned Product Price then in effect under the relevant Assigned PPA, minus the face amount of any Receivable (as defined in the Prepaid Agreement) that is delivered by PPA Assignee to the Custodian pursuant to Section 4(e); provided that, notwithstanding the foregoing or anything to the contrary herein, there shall be no Delivered Product Payment Amount or any other obligations of PPA Assignee with respect to quantities of Assigned Product delivered in excess of the Annual Quantity in any Contract Year.

"Issuer Negative Pricing Payment Amount" means the positive difference, if any, for any Month of an Assignment Period between (a) amounts due from Issuer to Participant under Section 3.2(a) of the Power Supply Contract with respect to negatively priced Energy and (b) amounts due from Participant to Issuer under Section 3.2(a) of the Power Supply Contract with respect to positively priced Energy.

"Monthly Gross Amount" means, in respect of each PPA Monthly Statement, an amount equal to the total net amount due to the applicable PPA Seller in respect of such PPA Monthly Statement and shall consist of the following components: (a) the Delivered Product Payment Amount and (b) the Retained Payment Amount (if such amount is a positive number for such Month).

"MSES Prepay Payment Date" means the payment due date for amounts due from MSES to Issuer under the Prepaid Agreement as set forth in Section 14.2(a) thereof.

"PPA Assignee" means MSCG or, to the extent that MSCG is a PPA Seller under the applicable Assigned PPA, MSES, in each case, in its capacity as the limited assignee under the applicable Assignment Agreement.

"PPA Assignee Resettlement Amount" means, in respect of any PPA Monthly Statement that (a) is delivered after the delivery of the Billing Statement under the Power Supply Contract for such Month and (b) reflects a quantity of Assigned Product less than the Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to the product of (x) the Monthly Projected Quantity for such Month minus the quantity of Assigned Products actually delivered under the Assigned PPA in such Month, multiplied by (y) the Day-Ahead Market Price during the Initial EPS Energy Period and the Day-Ahead Average Price during any EPS Energy Period subsequent to the Initial EPS Energy Period; provided that, notwithstanding the foregoing or anything to the contrary herein, there shall be no PPA Assignee Resettlement Amount or any other obligations of PPA Assignee with respect to quantities of Assigned Product delivered in excess of the Annual Quantity in any Contract Year.

"PPA Monthly Statement" means the monthly consolidated invoice delivered to PPA Assignee and Participant consistent with the terms of the applicable Assignment Agreement.

"PPA Monthly Statement Payment Date" means the last Business Day on which payment with respect to a PPA Monthly Statement may be made before any incremental interest arises thereon or any default or breach arises under the Assigned PPA.

"Provisional Payment" has the meaning specified in the Prepaid Agreement.

"Retained Payment Amount" means, in respect of each PPA Monthly Statement, an amount equal to all amounts owed to the applicable PPA Seller for such Month, less (b) the sum of the Delivered Product Payment Amount and the PPA Assignee Resettlement Amount, if any; provided that, to the extent the Retained Payment Amount is negative in any Month, then the absolute value of such amount shall represent an amount to be paid by the Custodian to Participant pursuant to Section 4(c)(ii) hereof; provided furthermore that all amounts due with respect to quantities of Assigned Product in excess of the Annual Quantity for any Contract Year shall be Participant's sole responsibility as a portion of the Retained Payment Amount.

(b) Except where expressly provided otherwise, any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time in accordance with its terms and the terms hereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

Section 2. Appointment of Custodian. Participant, MSES and MSCG hereby appoint The Bank of New York Mellon Trust Company, N.A. as Custodian under this Agreement, with such rights and obligations as are specifically set forth herein. The Custodian hereby accepts such appointment under the terms and conditions set forth herein.

Section 3. Payment Instructions to Custodian; Assigned PPA Exhibits.

(a) No later than seven days following Participant's receipt of a PPA Monthly Statement from a PPA Seller, Participant shall deliver a statement to the other Parties hereto listing the following: the Delivered Product Payment Amount, the Retained Payment Amount, the Monthly Gross Amount, the PPA Monthly Statement Payment Date, the Custodial Agreement Payment Date, the PPA Assignee Resettlement Amount, if any, the Monthly Excess Quantities, if

any, the Assigned Paygo Quantities reflected in such PPA Monthly Statement and any Issuer Negative Pricing Payment Amount for such Month (such notice from the Participant, the "Participant Monthly Statement"), as determined, in each case, based on the relevant PPA Monthly Statement for such Month. The Parties agree to exercise commercially reasonable efforts to implement a test billing period for a period of at least two Months prior to the effectiveness of any Assignment Agreement after the Initial Assignment Agreement.

(b) PPA Assignee shall notify Participant and each other Party promptly following Participant's delivery of a Participant Monthly Statement if PPA Assignee believes any information included on such PPA Monthly Statement is incorrect. Following receipt and verification of the information included in any such notice from PPA Assignee, Participant shall, to the extent appropriate and in consultation with PPA Assignee, issue a corrected PPA Monthly Statement to all Parties.

(c) Exhibit A to this Agreement sets forth certain information regarding the Assigned PPAs as of the date hereof, including the Assignment Periods and Assigned Product Prices for each Assigned PPA, the PPA Sellers thereunder and the payment instructions for payments to the PPA Sellers. MSCG shall deliver an updated Exhibit A to each of the other Parties hereto to reflect any changes to the information set forth therein, including due to the expiration, extension or termination of an Assignment Period or the commencement of a new Assignment Period.

Section 4. Assigned PPA Payments Account.

(a) Custodial Account. With respect to payments required to be made by PPA Assignee and Participant to the PPA Sellers under the Assigned PPAs, there is hereby established with the Custodian at its office located at 333 South Hope Street, Suite 2525, Los Angeles, California 90071, the custodial account listed below (the "Assigned PPA Payments Account") and all payments made by PPA Assignee and Participant hereunder shall be wired to such Assigned PPA Payments Account:

THE BANK OF NEW YORK MELLON
ABA# 021000018
ACCOUNT NUMBER: [____]
ACCOUNT NAME: [____]

(b) PPA Assignee and Participant Monthly Payments.

(i) PPA Assignee shall make payment of the Delivered Product Payment Amount and any PPA Assignee Resettlement Amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date for each Month of any Assignment Period; provided that, to the extent that (i) the Delivered Product Payment Amount and any PPA Assignee Resettlement Amount are due and (ii) PPA Assignee pays some portion of such amounts but less than the total amount due, PPA Assignee's partial payment shall be applied first to the Delivered Product Payment Obligation.

(ii) For each Month of any Assignment Period for which the Retained Payment Amount is a positive number, Participant shall make payment of such amount into the

Assigned PPA Payments Account on the Custodial Agreement Payment Date. For each Month of any Assignment Period for which the Retained Payment Amount is a negative number, Participant shall have no payment obligation for such Month with respect to the Retained Payment Amount and the Custodian will pay the absolute value of such amount to Participant consistent with Section 4(c)(ii).

(iii) For each Month, if any, of an Assignment Period for which there is an Issuer Negative Pricing Payment Amount, Participant shall make payment of such amount into the Assigned PPA Payments Account on the Custodial Agreement Payment Date; provided that, notwithstanding the foregoing, Participant shall have no payment obligation hereunder with respect to an Issuer Negative Pricing Payment Amount to the extent that PPA Assignee receives such amount from the PPA Seller pursuant to the terms of the applicable Assignment Agreement.

(c) Transfers by Custodian.

(i) For any Month in an Assignment Period for which the Retained Payment Amount is equal to or greater than zero (0), the Custodian shall withdraw the amounts on deposit in the Assigned PPA Payments Account to make payment of the Monthly Gross Amount on the PPA Monthly Statement Payment Date by a single wire transfer to the applicable PPA Seller of the amounts received from each of PPA Assignee and Participant.

(ii) For any Month in an Assignment Period for which the Retained Payment Amount is a negative number, the Custodian shall withdraw amounts on deposit in the Assigned PPA Payments Account (A) first to make payment of the Monthly Gross Amount to the applicable PPA Seller in respect of each PPA Monthly Statement on the relevant PPA Monthly Statement Payment Date pursuant to the payment instructions set forth on Exhibit A; and (B) immediately thereafter to make payment of the absolute value of such Retained Payment Amount to Participant pursuant to the payment instructions set forth on Exhibit B. If the amounts on deposit in the Assigned PPA Payments Account are insufficient to pay the entirety of either such amounts, the Custodian shall apply the amounts available in the order specified in the preceding sentence.

(iii) For any Month in an Assignment Period for which an Issuer Negative Pricing Payment Amount is due from Participant, the Custodian shall, after application of amounts on deposit in the Assigned PPA Payments Account pursuant to clause (i) or (ii) above, as applicable, withdraw amounts on deposit in the Assigned PPA Payments Account to make payment of the Issuer Negative Pricing Payment Amount to PPA Assignee.

(d) Amounts deposited in the Assigned PPA Payments Account shall be held in trust for the benefit of Participant until applied as set forth in Section 4(c) and Section 14, as applicable, and there is hereby granted to Participant a lien on and security interest in the Assigned PPA Payments Account pending such application. Except for any amounts due and payable to Participant pursuant to Section 4(c)(ii), the Custodian shall not be required to comply with any orders, demands, or other instructions from Participant with respect to the Assigned PPA Payments Account, including, without limitation, items presented for payment, or any order or instruction directing the disposition of funds or other assets held in or credited to the Assigned PPA Payments

Account, and Participant agrees that, except as set forth in Section 4(c)(ii), prior to the termination of this Agreement in accordance with the terms hereof, it shall have no right to direct the disposition of funds or other assets held in or credited to the Assigned PPA Payments Account, or to withdraw or otherwise obtain funds or other assets held in or credited to the Assigned PPA Payments Account, whether by order or instruction to the Custodian or otherwise.

(e) With respect to each PPA Monthly Statement, to the extent PPA Assignee has purchased Receivables (as defined in the Prepaid Agreement) for amounts owed by Participant for the Month to which such PPA Monthly Statement relates, PPA Assignee may, at its option, (i) notify the Custodian that it intends to transfer all or any portion of such Receivables to the PPA Seller, and (ii) reduce the Delivered Product Payment Amount by the face amount of such Receivables to be transferred. To the extent PPA Assignee has notified the Custodian of its intent to transfer any such Receivables, PPA Assignee shall cause such Receivables to be transferred to the PPA Seller not later than the relevant PPA Monthly Statement Payment Date.

Section 5. Provisional Payments Account.

(a) Custodial Account. With respect to Provisional Payments required to be made by MSES to Issuer under the Prepaid Agreement, as reflected in the Billing Statement (as defined in the Prepaid Agreement) which shall be delivered by MSES to each of the parties hereof consistent with Section 14.1(b)]of the Prepaid Agreement, there is hereby established with the Custodian at its office located at 333 South Hope Street, Suite 2525, Los Angeles, California 90071, the following custodial account listed below (the "Provisional Payments Account") and all payments made by MSES hereunder shall be wired to such Provisional Payments Account:

THE BANK OF NEW YORK MELLON
ABA# 021000018
ACCOUNT NUMBER: [____]
ACCOUNT NAME: [____]

(b) MSES Monthly Payments. For each Month of the Delivery Period, MSES shall make payment of the Provisional Payment, if any, due under the Prepaid Agreement for such Month into the Provisional Payments Account on or before the MSES Prepaid Payment Date for each Month of the Delivery Period. The Parties acknowledge and agree that any Provisional Payment due shall be reflected in the Billing Statement (as defined in the Prepaid Agreement) delivered by MSES under Section 14.1(b) of the Prepaid Agreement, which MSES has agreed to deliver to each of the parties hereunder.

(c) Transfers by Custodian; Segregation and Application of Discount Dollars.

(i) Upon receipt of any Provisional Payment under Section 5(b), the Custodian shall promptly (x) withdraw the portion of such Provisional Payment that represents the Net Participant Price (as defined in the Prepaid Agreement) that would otherwise be payable by Participant to Issuer with respect thereto under the Power Supply Agreement, as reflected in the Billing Statement delivered by MSES pursuant to Section 14.(b) of the Prepaid Agreement and (y) and transfer such amount to the Issuer.

(ii) The portion of any Provisional Payment in excess of the Net Participant Price (such portion, the "Discount Dollars") shall be segregated by the Custodian and applied as set forth below:

(A) to the extent that (I) there is a positive balance of Discount Dollars being held by the Custodian and (II) any Participant Monthly Statement reflects that Monthly Excess Quantities were delivered under an Assigned PPA for any given Month, the Custodian shall withdraw $[____] per MWh of Monthly Excess Quantities on the relevant PPA Monthly Statement Payment Date and transfer such amount to Participant pursuant to the payment instructions set forth for payments to Participant on Exhibit A; and

(B) MSES shall notify the Custodian and each of the other Parties hereto if less than the Annual Quantity is delivered for any Contract Year, and, promptly following receipt of any such notice, the Custodian shall transfer any remaining Discount Dollars to the Trustee for deposit in Energy Remarketing Reserve Fund under and as defined in the Bond Indenture.

Section 6. Custodian. The Custodian shall have (a) no liability under any agreement other than this Agreement and (b) no duty to inquire as to the provisions of any agreement other than this Agreement and the Assigned PPAs. The Custodian may rely upon and shall not be liable for acting or refraining from acting upon any written notice, document, instruction or request furnished to it hereunder in accordance with the terms hereof and believed by it to be genuine and to have been signed or presented by the proper Party or Parties. The Custodian shall be under no duty to inquire into or investigate the validity, accuracy or content of any such document, notice, instruction or request. The Custodian shall have no duty to solicit or compel any payments which may be due to it, or to take any action to compel PPA Assignee or Participant to make the deposits required under Section 4. The Custodian shall not be liable for any action taken or omitted by it in good faith except to the extent that a court of competent jurisdiction determines that the Custodian's gross negligence or willful misconduct was the primary cause of any loss to any other Party hereto. In connection with the execution of any of its powers or the performance of any of its duties hereunder, the Custodian may consult with counsel, accountants and other skilled persons selected and retained by it. The Custodian shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons, provided the Custodian exercised due care and good faith in the selection of such person. The permissive rights of the Custodian to take actions enumerated under this Agreement shall not be construed as duties. In the event that the Custodian shall be uncertain as to its duties or rights hereunder or shall receive instructions, claims or demands from any Party hereto which, in its opinion, conflict with any of the provisions of this Agreement, it shall be entitled to refrain from taking any action and its sole obligation shall be to keep safely all property held in escrow until it shall be directed otherwise in writing by all of the other Parties hereto or by a final order or judgment of a court of competent jurisdiction. The Custodian may interplead all of the assets held hereunder into a court of competent jurisdiction or may seek a declaratory judgment with respect to certain circumstances, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets or any action or non-action based on such declaratory judgment. Anything in this Agreement to the contrary notwithstanding, in no event shall the Custodian be liable for special, indirect, incidental, consequential, or punitive

damages, losses or penalties of any kind whatsoever (including but not limited to lost profits), regardless of the form of action. The Custodian may engage and act through agents and attorneys and shall not be liable for the misconduct or negligence of any such agent or attorney appointed with due care. The Custodian shall not be liable for any action taken by it in good faith in accordance with instruction received in accordance with this Agreement, or for the application of funds by other actions of omissions of other persons. The Custodian shall be responsible only for funds actually received by it for deposit into the Assigned PPA Payments Account, and the Custodian shall not be obliged to advance or risk its own funds to make any payments required hereunder. The Custodian shall have only those duties expressly set forth in this Agreement and no implied duties shall be read into this Agreement against the Custodian. The Parties hereto acknowledge and agree that the Custodian is not a fiduciary by virtue of accepting and carrying out its obligations under this Agreement and has not accepted any fiduciary duties, responsibilities or liabilities with respect to its services hereunder. The Custodian shall not be responsible for the perfection of any security interest granted hereunder.

Section 7. Succession. The Custodian may resign and be discharged from its duties or obligations hereunder by giving not less than 30 days' advance notice in writing of such resignation to the other Parties hereto specifying a date when such resignation shall take effect; and such resignation shall take effect upon the day specified in such notice unless a successor shall not have been appointed by the other Parties hereto on such date, in which event such resignation shall not take effect until a successor is appointed. The other Parties hereto shall use their commercially reasonable efforts to make such appointment in a timely fashion, provided that any custodian appointed in succession to the Custodian shall be a bank or trust company organized under the laws of any state or a national banking association and shall have capital stock, surplus and undivided earnings aggregating at least $50,000,000 and shall be a bank with trust powers or trust company willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Agreement. Any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association to which all or substantially all of the Custodian's corporate trust line of business may be transferred, shall be the Custodian under this Agreement without further act. Notwithstanding the foregoing, if no appointment of a successor Custodian shall be made pursuant to the foregoing provisions of this Section 7 within 30 days after the Custodian has given written notice to the other Parties of its resignation as provided in this Section 7, the Custodian may, in its sole discretion, apply to any court of competent jurisdiction to appoint a successor Custodian. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Custodian.

Section 8. Fees. MSES agrees to pay the Custodian reasonable compensation for the services to be rendered hereunder, which compensation shall be $[____] for each year that this Agreement is in effect. The parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 9. Reimbursement. The Issuer, MSCG, MSES and Participant agree, jointly and severally (subject to the second proviso of this Section 9), to reimburse the Custodian and its directors, officers, agents and employees for any and all loss, liability or expense (including the fees and expenses of in-house or outside counsel and experts and their staffs and all expense of document location, duplication and shipment) arising out of or in connection with (a) its acting as

the Custodian under this Agreement, except to the extent that such loss, liability or expense is finally adjudicated to have been caused primarily by the gross negligence or willful misconduct of the Custodian or such director, officer, agent or employee seeking reimbursement, or (b) its following any instructions or other directions from MSCG, MSES or Participant, except to the extent that its following any such instruction or direction is expressly forbidden by the terms hereof; provided, however, that any amounts due under this Section 9 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 15 hereof; provided further, however, that, notwithstanding the joint and several nature of the obligations under this Section 9, any amounts due under clause (b) of this sentence resulting from instructions or directions that are not expressly provided for in this Agreement and are given to the Custodian by only one Party shall be the sole obligation of such Party. The Parties hereto acknowledge that this provision shall survive the resignation or removal of the Custodian or the termination of this Agreement.

Section 10. Taxpayer Identification Numbers; Tax Matters. MSCG, MSES and Participant represent that their correct taxpayer identification numbers assigned by the Internal Revenue Service or any other taxing authority is set forth on the signature page hereof. Any tax returns or reports required to be prepared and filed in connection with the Assigned PPA Payments Account will be prepared and filed by Participant, and the Custodian shall have no responsibility for the preparation and/or filing of any tax return with respect to any income earned on the Assigned PPA Payments Account. In addition, any tax or other payments required to be made pursuant to such tax return or filing shall be paid by Participant. The Custodian shall have no responsibility for making such payment unless directed to do so in writing by the appropriate authorized Party and fully indemnified to the Custodian's satisfaction.

Section 11. Notices.

(a) Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by email transmission or other Electronic Means (defined below), courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) when delivered by email transmission or other Electronic Means (defined below), or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service); provided that, if a Party delivers a notice, demand or request by any means other than email transmission, such notice shall not be effective unless and until the Party also delivers a copy thereof to the other Parties' email address specified in Exhibit B. Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods, such as electronic mail. Notwithstanding the foregoing, any Party may at any time notify the others that any notice, demand, statement or request to it must be provided by email transmissions for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective. In the event that the Custodian, in its sole discretion, shall determine that an emergency exists, the Custodian may use such other means of communication as the Custodian deems appropriate.

(b) Exhibit A shall include each PPA Seller's notice and payment information as set forth in the Assigned PPAs, and MSCG and Participant promptly shall cause such information to be updated to the extent there are any changes to such information under the Assigned PPAs.

(c) The Custodian shall have the right to accept and act upon instructions or directions given pursuant to this Custodial Agreement, or any other document reasonably relating to the matters described herein, delivered using Electronic Means (defined below); provided, however, that each party giving directions to the Custodian hereunder shall provide to a Responsible Officer of the Custodian an incumbency certificate, substantially in the form attached hereto as Exhibit C, listing persons with the authority to provide such instructions or directions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended, with written notice to a Responsible Officer of the Custodian, whenever a person is to be added or deleted from the listing. If a party elects to give the Custodian directions or instructions using Electronic Means and the Custodian in its discretion elects to act upon such directions, the Custodian's understanding of such directions shall be deemed controlling. The parties understand and agree that the Custodian cannot determine the identity of the actual sender of such directions and that the Custodian shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided by a party to a Responsible Officer of the Custodian have been sent by such Authorized Officer. The party giving such instructions shall be solely responsible for ensuring that only Authorized Officers transmit such directions to the Custodian and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys issued by the Custodian as confidential and with extreme care. The Custodian shall not be liable for any losses, costs or expenses arising directly or indirectly from the Custodian's reliance upon and compliance with such directions notwithstanding that such directions conflict or are inconsistent with a subsequent written direction. The party giving such directions agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Custodian, including without limitation the risk of the Custodian acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Custodian and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Custodian immediately upon learning of any compromise or unauthorized use of the security procedures.

(d) As used herein, "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Custodian, or another method or system specified by the Custodian as available for use in connection with its services hereunder.

Section 12. Miscellaneous.

(a) The provisions of this Agreement may be waived, altered, amended or supplemented, in whole or in part, only by a writing signed by all of the Parties hereto.

(b) Neither this Agreement nor any right or interest hereunder may be assigned in whole or in part by any Party, except as provided in Section 7, without the prior written consent of the other Parties.

(c) THIS AGREEMENT 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 NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF THE LAWS ANOTHER JURISDICTION; PROVIDED, HOWEVER, THAT THE AUTHORITY OF PARTICIPANT TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(d) EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION ON THE GROUNDS OF VENUE, FORUM NON-CONVENIENS OR ANY SIMILAR GROUNDS AND IRREVOCABLY CONSENTS TO SERVICE OF PROCESS BY MAIL OR IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF (A) THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, (B) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK OR (C) THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA IN ANY OTHER STATE WHERE AN OFFICE OF THE CUSTODIAN IS LOCATED. THE PARTIES FURTHER HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LAWSUIT OR JUDICIAL PROCEEDING ARISING OR RELATING TO THIS AGREEMENT.

(e) No Party to this Agreement shall be liable to any other Party hereto for losses due to, or if it is unable to perform its obligations under the terms of this Agreement because of, acts of God, fire, war, terrorism, floods, strikes, electrical outages, equipment or transmission failure, or other causes reasonably beyond its control; provided that a Party affected by any such event shall exercise commercially reasonable efforts to resume performance as quickly as possible.

(f) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties to this Agreement may be transmitted by facsimile or by digital pdf transmission, and such facsimile or pdf will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces, and will be binding upon such Party. All signatures of the parties to this Agreement may be transmitted by facsimile or by digital pdf transmission under the terms set forth in this Section 12(f). The parties agree that the electronic signature of a party to this Agreement, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other

replicating image attached to an e mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature. Paper copies or "printouts", if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

(g) The Custodian shall not be under any obligation to invest or pay interest on amounts held in the Assigned PPA Payments Account from time to time.

(h) Issuer shall have only such duties under this Agreement as are expressly set forth herein as duties on its part to be performed, and no implied duties shall be read into this Agreement against Issuer.

Section 13. Compliance with Court Orders. In the event that any amount held by the Custodian hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court affecting the property deposited under this Agreement, the Custodian is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing are binding upon it, whether with or without jurisdiction, and in the event that the Custodian obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding that such writ, order or decree may be subsequently reversed, modified, annulled, set aside or vacated.

Section 14. Term; Winding Up. This Agreement will expire concurrently with the receipt of written notice from Participant, with a copy to the other Parties, that the Power Supply Agreement has terminated in accordance with its terms. Following the Custodian's payment of any Monthly Gross Amount due in respect of the final Month of power deliveries prior to such a termination, any remaining balance in the Assigned PPA Payments Account shall be paid to Participant.

Section 15. Indemnification. The Issuer, MSCG, MSES and Participant, jointly and severally, agree to protect, indemnify, defend and hold harmless, the Custodian, and its affiliates, and each person who controls the Custodian (and each of their respective directors, officers, agents and employees) from and against all claims, damages, losses, liabilities, actions, suits, costs, judgments and expenses (including, without limitation, court costs and reasonable attorneys' fees) arising from its acting as Custodian hereunder (including, for the avoidance of doubt, any costs, expenses and reasonable attorneys' fees incurred in enforcing any payment obligation of an indemnifying Party), except for any claim, damage, loss, liability, action, suit, cost, judgment or expense resulting from the gross negligence or willful misconduct of the Custodian; provided, however, that any amounts due under this Section 15 shall not duplicate any other amounts due under this Agreement, including without limitation amounts due under Section 9 hereof. The obligations of this Section 15 shall survive any resignation or removal of the Custodian and the termination of this Agreement. In addition, notwithstanding anything herein to the contrary, the

Custodian shall have all of the rights (including the indemnification rights), benefits, privileges and immunities under this Agreement as are granted to the Trustee under the Bond Indenture, all of which are incorporated, mutatis mutandis, into this Agreement.

Section 16. Patriot Act. The Issuer, MSCG, MSES and Participant acknowledge that the Custodian is subject to federal laws, including the Customer Identification Program ("CIP") requirements under the USA PATRIOT Act and its implementing regulations, pursuant to which the Custodian must obtain, verify and record information that allows the Custodian to identify MSCG, MSES and Participant. Accordingly, prior to opening the Assigned PPA Payments Account described in Section 4 of this Agreement, the Custodian will ask the Issuer, MSCG, MSES and Participant to provide certain information including but not limited to name, physical address, tax identification number and other information that will help the Custodian identify and verify the Issuer, MSCG, MSES and Participant's identities, such as organizational documents, certificate of good standing, license to do business, or other pertinent identifying information. The Issuer, MSCG, MSES and Participant agree that the Custodian cannot open any account hereunder unless and until the Custodian verifies the Issuer's MSCG, MSES and Participant's identities in accordance with its CIP.

Section 17. Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of the Issuer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of the Issuer, payable solely from the Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). The Issuer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of the Issuer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the date first written above.

SILICON VALLEY CLEAN ENERGY AUTHORITY

By:_____
Name: _____
Title: _____
Taxpayer ID Number:_____

MORGAN STANLEY CAPITAL GROUP INC.

By:_____
Name: _____
Title: _____
Taxpayer ID Number:_____

MORGAN STANLEY ENERGY STRUCTURING, L.L.C.

By:_____
Name: _____
Title: _____
Taxpayer ID Number:_____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By:_____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By:_____
Name: _____
Title: _____
Taxpayer ID Number:_____

EXHIBIT A

ASSIGNED PPAS

1. Master Power Purchase and Sale Agreement, dated November 23, 2016, as amended on June 1, 2021, and the Carbon Free Product Confirmation thereunder, dated as of [____], by and between PPA Buyer and PPA Seller by and between PPA Buyer and Morgan Stanley Capital Group Inc. as PPA Seller

    - **Assigned Product Price:** [CAISO NP15 Day Ahead Index for Hour Ending 01 through Hour Ending 24]
    - **Assignment Period:** [____] – [____]
    - **Payment Instructions for Payments to PPA Seller:**
      BNK : Northern Trust International NY
      ABA: 026001122
      ACCT: 102897-20010
      FBO: Morgan Stanley Capital Group Inc.

EXHIBIT B

NOTICE INFORMATION

PPA Buyer:
Silicon Valley Clean Energy Authority
333 W. El Camino Real Suite 330
Sunnyvale, CA 94087
Email: girish@svcleanenergy.org

SVCE Payment Information:
Bank Name: River City Bank
Bank Routing Number: 121133416
Account Number: 6042313416
FBO: Silicon Valley Clean Energy Authority

Issuer:
California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901
Email:[____]

Issuer Payment Information:
THE BANK OF NEW YORK MELLON
ABA# 021000018
ACCOUNT NUMBER: [____]
ACCOUNT NAME: [____]
ATTN: [____]

MSCG:
Morgan Stanley Capital Group Inc.
1585 Broadway
New York, NY 10036-8293
Email: [____]

MSES:
Morgan Stanley Energy Structuring, L.L.C.
1585 Broadway
New York, NY 10036-8293
Email: [____]

Custodian:
The Bank of New York Mellon Trust Company, N.A.
333 South Hope Street, Suite 2525
Los Angeles, California 90071Telephone: 213.553.4343
Attention: Corporate Trust – Global Client Services
Fax: 877.269.6192

Email: bnym_gas-prepays@bnymellon.com

EXHIBIT C

FORM OF CERTIFICATE OF INCUMBENCY

The undersigned, a duly authorized officer of [_____], in connection with the Custodial Agreement by and among California Community Choice Financing Authority ("Issuer"), Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the laws of the State of California ("Participant"), Morgan Stanley Capital Group Inc., a Delaware corporation ("MSCG"), Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company ("MSES"), and The Bank of New York Mellon Trust Company, N.A. (the "Custodian") dated as of [____], 2023 (the "Custodial Agreement"), HEREBY CERTIFIES that the persons whose names, titles and signatures appear below are duly qualified and acting representatives of [_____] ("Authorized Representatives") on the date hereof. Each holds the office set forth beside his/her name, and the signature appearing opposite his/her name is the genuine signature of such Authorized Representative. Only those individuals, or such additional individuals as the undersigned may designate prior to written notice to the Custodian in the future, shall execute and deliver any written instructions, confirmations or certificates on behalf of [_____] in connection with the Custodial Agreement. Custodian shall not be obligated to accept any written instructions, confirmations or certificates executed by an individual other than those listed below or so designated in the future.

NAME	TITLE	PHONE NO.	SIGNATURE

Capitalized terms used herein and not otherwise defined shall have the meaning assigned in the Custodial Agreement.

[_____] acknowledges that Custodian will accept notices by Electronic Means only if [_____] acknowledges and assumes all risks relating to the use of such notices. [_____] hereby acknowledges and assumes all risks relating to the sending of notices by Electronic Means.

IN WITNESS WHEREOF, the undersigned has caused this Certificate to be executed for and on behalf of [_____] this ___day of _____.

[NAME OF PARTY]

By: _____
Name:

Title:

PREPAID ENERGY SALES AGREEMENT

between

MORGAN STANLEY ENERGY STRUCTURING, L.L.C.

and

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

Dated as of [____], 2023

TABLE OF CONTENTS

Page

Article I. Definitions 1
Section 1.1 Defined Terms 1
Section 1.2 Definitions; Interpretation 10
Article II. Execution Date and Delivery Period 11
Section 2.1 Execution Date; Delivery Period 11
Section 2.2 Termination by Seller Prior to Prepayment 11
Article III. Sale And Purchase 11
Section 3.1 Sale and Purchase of Energy 11
Section 3.2 Prepayment 12
Section 3.3 Other Amounts Payable with Respect to Assigned Products 12
Section 3.4 No Obligation to Take Base Energy 12
Section 3.5 Reduction of Contract Quantity 12
Article IV. Failure to Deliver or Take Energy 13
Section 4.1 Assigned Product 13
Section 4.2 Failure to Deliver or Take Due to Force Majeure 13
Article V. Transmission and Delivery; Communications 13
Section 5.1 Delivery of Energy 13
Section 5.2 Scheduling 14
Section 5.3 Title and Risk of Loss 14
Section 5.4 PCC1 Product and Long-Term PCC1 Product 14
Section 5.5 Deliveries within CAISO or Another Balancing Authority 17
Section 5.6 Assigned Products 17
Article VI. Partial Assignments of PPAs 17
Section 6.1 Future PPA Assignments 17
Section 6.2 Updates to Exhibits A-1 and A-2 17
Article VII. Energy Remarketing 17
Article VIII. Representations and Warranties 18
Section 8.1 Representations and Warranties 18
Section 8.2 Additional Representations and Warranties of Buyer 19
Section 8.3 Warranty of Title 20

TABLE OF CONTENTS
(continued)

Page

Article IX. Taxes **20**
Article X. Dispute Resolution **21**
Section 10.1 Arbitration 21
Section 10.2 Dispute Resolution. 21
Article XI. Force Majeure **23**
Section 11.1 Applicability of Force Majeure 23
Section 11.2 Settlement of Labor Disputes 24
Article XII. Governmental Rules and Regulations **24**
Section 12.1 Compliance with Laws 24
Section 12.2 Contests 24
Section 12.3 Defense of Agreement 24
Article XIII. Assignment **24**
Article XIV. Payments **25**
Section 14.1 Monthly Statements 25
Section 14.2 Payment 26
Section 14.3 Payment of Disputed Amounts 26
Section 14.4 Late Payment 27
Section 14.5 Audit; Adjustments 27
Section 14.6 Netting 27
Article XV. Receivables Purchases **27**
Article XVI. Notices **27**
Article XVII. Default; Remedies; Termination **28**
Section 17.1 Seller Default 28
Section 17.2 Buyer Default 29
Section 17.3 Non-Default Termination Events 29
Section 17.4 Remedies and Termination 31
Section 17.5 Replacement of Swaps 33
Section 17.6 Limitation on Damages 34
Section 17.7 Option to Purchase Bonds 35
Section 17.8 Termination Payment Adjustment Schedule 35

TABLE OF CONTENTS
(continued)

Page

Article XVIII. Miscellaneous 35

Section 18.1 Indemnification Procedure 36
Section 18.2 Deliveries 36
Section 18.3 Entirety; Amendments 36
Section 18.4 Governing Law 37
Section 18.5 Non-Waiver 38
Section 18.6 Severability 38
Section 18.7 Exhibits 38
Section 18.8 Winding Up Arrangements 38
Section 18.9 Relationships of Parties 38
Section 18.10 Immunity 38
Section 18.11 Rates and Indices 38
Section 18.12 Limitation of Liability 40
Section 18.13 Counterparts 40
Section 18.14 Rights of Trustee 40
Section 18.15 Waiver of Defenses 40
Section 18.16 U.S. Resolution Stay. 40
Section 18.17 Rate Changes 41

Exhibit A-1 - Base Energy Hourly Quantities
Exhibit A-2 - EPS Energy Period Annual Quantity and Monthly Projected Quantity
Exhibit B - Notices
Exhibit C - Energy Remarketing
Exhibit D - Termination Payment Schedule
Exhibit D-1 - Termination Payment Adjustment Schedule
Exhibit E - Form of Morgan Stanley Guarantee
Exhibit F - Pricing and Other Terms
Exhibit G - Receivables Purchases

PREPAID ENERGY SALES AGREEMENT

This Prepaid Energy Sales Agreement (hereinafter "Agreement") is made and entered into as of [____], 2023 (the "Execution Date"), by and between Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company ("Seller"), and California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended) ("Buyer").

W I T N E S S E T H:

WHEREAS, Seller desires to sell electricity to Buyer, and Buyer desires to purchase electricity from Seller, upon the terms and conditions hereinafter set forth; and

WHEREAS, concurrently with Buyer's execution of the Power Supply Contract (as defined below), the Project Participant (as defined below) under such Power Supply Contract will assign to Seller certain Assigned Rights and Obligations, including the right to receive Assigned Product, which Assigned Product will be resold to Buyer hereunder and then resold to the Project Participant under the Power Supply Contract.

NOW, THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, Buyer and Seller (the "Parties" hereto; each is a "Party") agree as follows:

ARTICLE I.
DEFINITIONS

Section 1.1 Defined Terms. The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"Affiliate" means, with respect to either Party, any entity which is a direct or indirect parent or subsidiary of such Party or which directly or indirectly (i) owns or controls such Party, (ii) is owned or controlled by such Party, or (iii) is under common ownership or control with such Party. For purposes of this definition, "control" of an entity means the power, directly or indirectly, either to (a) vote 50% or more of the securities having ordinary voting power for the election of directors or Persons performing similar functions or (b) direct or cause the direction of the management and policies, whether by contract or otherwise.

"Agreement" has the meaning specified in the preamble and shall include exhibits, recitals and attachments referenced herein and attached hereto and all amendments, supplements and modifications hereto and thereto.

"Annual Quantity" means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth on Exhibit

A-2 (as such Exhibit A-2 may be updated from time to time in accordance with Section 6.2); provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate amount of any quantities of Base Energy required to be remarketed under this Agreement for any given Contract Year.

"Assigned Delivery Point" has the meaning specified in the applicable Assignment Agreement.

"Assigned Energy" has the meaning specified in the applicable Assignment Agreement; provided that any Assigned Energy shall be EPS Compliant Energy as set forth in the Assignment Letter Agreement.

"Assigned Paygo Quantity" means any Assigned Products delivered under this Agreement in excess of the Annual Quantity for any Contract Year.

"Assigned Product" means, as applicable, PCC1 Product, Long-Term PCC1 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement.

"Assigned RECs" means any RECs to be delivered to MSCG or Seller pursuant to any Assigned Rights and Obligations.

"Assigned Rights and Obligations" means a portion of the Project Participant's rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

"Assignment Agreement" means the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

"Assignment Letter Agreement" means that certain Letter Agreement, dated as of the date hereof, by and among MSCG, Seller, Buyer and Project Participant.

"Automatic Non-Default Termination Event" has the meaning specified in Section 17.3(b).

"Available Discount" has the meaning specified in the Re-Pricing Agreement.

"Balancing Authority" has the meaning specified in the CAISO Tariff.

"Base Energy" means Firm (LD) Energy to be delivered to an Energy Delivery Point.

"Billing Statement" has the meaning specified in Section 14.1(b).

"Bond Closing Date" means the first date on which the Bonds are issued pursuant to the Bond Indenture.

"Bond Documents" means this Agreement, the Power Supply Contract, the Bond Indenture and all other documents, agreements and instruments entered into or delivered by Buyer in connection with any of the foregoing or the transactions thereunder.

"Bond Indenture" means (i) the Trust Indenture to be entered into prior to the commencement of the Delivery Period between Buyer and the Trustee, as supplemented and amended from time to time in accordance with its terms, and (ii) any trust indenture entered into in connection with the commencement of any Interest Rate Period after the initial Interest Rate Period between Buyer and the Trustee containing substantially the same terms as the indenture described in clause (i) and which is intended to replace the indenture described in clause (i) as of the commencement of such Interest Rate Period.

"Bonds" means the bonds issued pursuant to the Bond Indenture.

"Business Day" means any day other than (i) a Saturday or Sunday, (ii) a Federal Reserve Bank Holiday, (iii) any other day on which commercial banks in either New York, New York or the State of California are authorized or required by Law to close, or (iv) any other day excluded pursuant to the Bond Indenture.

"Buyer" has the meaning specified in the preamble.

"Buyer Custodial Agreement" means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among the Swap Counterparty, Buyer, the Trustee and The Bank of New York Mellon Trust Company, N.A., as custodian, as the same may be amended, modified or supplemented from time to time.

"Buyer Default" has the meaning specified in Section 17.2.

"Buyer Swap" means (i) the transaction confirmation entered into under the ISDA Master Agreement, dated as of the date hereof, by Buyer and the Swap Counterparty, and (ii) each replacement Buyer Swap entered into pursuant to Section 17.5.

"Buyer's Statement" has the meaning specified in Section 14.1(a).

"CAISO" means California Independent System Operator or its successor.

"CAISO Tariff" means CAISO's FERC-approved tariff, as modified, amended or supplemented from time to time

"California Long-Term Contracting Requirements" means the long-term contracting requirement set forth in the Clean Energy and Pollution Reduction Act of 2015 (SB 350), California Public Utilities Code section 399.13(b), and CPUC Decision 17-06-026 and CPUC Decision 18-05-026, as may be modified by subsequent decision of the California Public Utilities Commission or by other Law.

"Call Option Notice" has the meaning specified in Exhibit G.

"Claiming Party" has the meaning specified in Section 11.1.

"Claims" means all claims or actions, threatened or filed, that directly or indirectly relate to the indemnities provided herein, and the resulting losses, damages, expenses, attorneys' fees, experts' fees, and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

"Commercially Reasonable" or "Commercially Reasonable Efforts" means, with respect to any purchase or sale or other action required to be made, attempted or taken by a Party under this Agreement, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

"Contract Index Price" means the index price specified on Exhibit A-1 with respect to the Hourly Quantity of Energy (which index prices may be Day-Ahead Market Price or Real-Time Market Price).

"Contract Quantity" means (i) with respect to Assigned Energy, the Annual Quantity of Assigned Energy set forth in Exhibit A-2 for each Contract Year of the Delivery Period; and (ii) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in Exhibit A-1 for any Month, as such Exhibits A-1 and A-2 shall be updated from time to time in accordance with Section 6.2.

"Contract Year" means each period of 12 Months from [____] until [____] during the Delivery Period.

"Custodial Agreements" means the Buyer Custodial Agreement and the Seller Custodial Agreement.

"Daily Basis Differential" has the meaning specified in Section 18.11(a)(ii).

"Daily Commodity Reference Price" means (A) the Day-Ahead Market Price, (B) the Day-Ahead Average Price or (C) the Real-Time Market Price.

"Daily Replacement Index" has the meaning specified in Section 18.11(a)(ii).

"Day-Ahead Average Price" means, for any Assigned Energy after the Initial EPS Energy Period, (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month. As used in this definition, "Pricing Interval" means the unit of time for which CAISO establishes a separate price.

"Day-Ahead Market Price" means the Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

"Default Rate" means, as of any date of determination, the lesser of (a) the sum of (i) the rate of interest per annum quoted in The Wall Street Journal (Eastern Edition) under the

"Money Rates" section as the "Prime Rate" for such date of determination, plus (ii) one percent per annum, or (b) if a lower maximum rate is imposed by applicable Law, such maximum lawful rate.

"Delivery Hours" means each Hour commencing at 00:00 (PPT) on the first day of the Delivery Period, and each Hour thereafter during the Delivery Period.

"Delivery Period" has the meaning specified in Exhibit F.

"Delivery Point" means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy (as set forth in Exhibits A-1 and A-2).

"Early Termination Date" means a date designated pursuant to Section 17.4(a) or Section 17.4(b) upon which the Delivery Period will end and Buyer's and Seller's respective obligations to receive and deliver Energy under this Agreement will terminate.

"Early Termination Payment Date" has the meaning specified in Section 17.4(d).

"Energy" means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

"Energy Delivery Point" has the meaning specified in Exhibit A-1.

"Energy Project" has the meaning specified in the Bond Indenture.

"EPS" means California's Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

"EPS Compliant Energy" means Energy that the Project Participant can contract for and purchase in compliance with EPS requirements that are applicable to such Project Participant.

"EPS Energy Period" means the Initial EPS Energy Period and any subsequent EPS Energy Period established by future assignments of power purchase agreements consistent with the Assignment Letter Agreement.

"Execution Date" has the meaning specified in the preamble.

"Failed Remarketing" has the meaning specified in the Bond Indenture.

"FERC" means the Federal Energy Regulatory Commission and any successor thereto.

"Firm (LD)" means, with respect to the obligation to deliver Energy, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force

Majeure. In the absence of Force Majeure, the Party to which performance is owed shall be entitled to receive from the Party which failed to deliver/receive an amount determined pursuant to Article IV.

"Force Majeure" means an event or circumstance which prevents one Party from performing its obligations under this Agreement, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of Buyer's markets; (ii) Buyer's inability economically to use or resell any Energy purchased hereunder; (iii) the loss or failure of Seller's supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) Seller's ability to sell the Energy at a higher price. Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such Party (or an upstream supplier with respect to Seller or the Project Participant with respect to Buyer) has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Energy Delivery Point and (b) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; *provided*, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) to the extent that (x) a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver or (y) a PPA Supplier otherwise is unable to deliver any portion of the Annual Quantity due to an event that would be considered Force Majeure under this Agreement if it affected Seller directly, then such event shall be deemed to constitute Force Majeure in respect of Seller hereunder; and (II) to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to Seller until the earlier of (A) the commencement of an "Assignment Period" under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by MSCG consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs.

"Government Agency" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

"Governmental Approval" means any authorization, consent, approval, license, ruling, permit, exemption, variance, order, judgment, decree, or similar action by any Government Agency relating to the execution, delivery or performance of this Agreement as any of the foregoing are in effect as of the Execution Date.

"Hour" means each 60-minute period commencing at 00:00 (PPT) on the first day of the Delivery Period. The term "Hourly" shall be construed accordingly.

"Hourly Quantity" means, with respect to each Delivery Hour during the Delivery Period, the quantity (in MWh) of Base Energy set forth on Exhibit A-1 for the Month in which such Delivery Hour occurs (as such Exhibit A-1 may be updated from time to time in accordance with Section 6.2).

"Initial Assignment Agreement" means that certain Limited Assignment Agreement, dated as of the date hereof, by and among the Project Participant, MSCG, Seller and Buyer.

"Initial EPS Energy Period" means the "Assignment Period" as defined in the Initial Assignment Agreement.

"Initial PPA Supplier" means MSCG.

"Interest Rate Period" has the meaning specified in the Bond Indenture, provided that if the Bonds are outstanding in two or more series with separate, concurrent and co-terminus Interest Rate Periods, "Interest Rate Period" shall mean all such Interest Rate Periods collectively.

"Interest Rate Swap" has the meaning specified in the Bond Indenture.

"Law" means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the Execution Date or at any time in the future.

"Long-Term PCC1 Product" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to MSCG, Seller or any successors thereto pursuant to any Assigned Rights and Obligations.

"Mandatory Purchase Date" has the meaning specified in the Bond Indenture.

"Minimum Discount" has the meaning specified in the Power Supply Contract.

"Month" means a calendar month. The term "Monthly" shall be construed accordingly.

"Monthly Excess Quantity" means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered hereunder in such Month exceeds the Monthly Projected Quantity for such Month.

"Monthly Projected Quantity" means, with respect to each Month of the Delivery Period, the quantity (in MWh) of Assigned Product for such Month as set forth on Exhibit A-2 (as such Exhibit A-2 may be updated from time to time in accordance with Section 6.2).

"Morgan Stanley" means Morgan Stanley, a Delaware corporation.

"Morgan Stanley Guarantee" means a guarantee of Morgan Stanley of Seller's payment obligations under this Agreement in the form attached hereto as Exhibit E.

"MSCG" means Morgan Stanley Capital Group Inc., a Delaware corporation.

"MWh" means megawatt-hour.

"Optional Non-Default Termination Event" has the meaning specified in Section 17.3(a).

"Participant Custodial Agreement" means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among the Project Participant, Buyer, Seller, MSCG and the Participant Custodian.

"Participant Custodian" means The Bank of New York Mellon Trust Company, N.A., a national banking association.

"Party" has the meaning specified in the recitals.

"PCC1 Product" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, Seller or any successors thereto pursuant to any Assigned Rights and Obligations.

"Person" means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

"Portfolio Content Category 1" means any Renewable Energy Credit associated with the generation of electricity from an "Eligible Renewable Energy Resource" consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

"Power Supply Contract" has the meaning specified in the Bond Indenture.

"PPA Supplier" means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the Assignment Letter Agreement.

"PPT" means Pacific Prevailing Time.

"Prepayment" means the amount specified in Exhibit F.

"Prepayment Outside Date" means the date specified in Exhibit F.

"Project Participant" means Silicon Valley Clean Energy Authority, a joint powers authority organized pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 *et seq.*) of the California Government Code.

"Provisional Payment" has the meaning specified in the Exhibit C.

"PSC Remarketing Election" means, with respect to the Power Supply Contract, that the Project Participant delivered a Remarketing Election Notice (as defined thereunder) for any Reset Period.

"Put Option Notice" has the meaning specified in Exhibit G.

"Re-Pricing Agreement" means the Re-Pricing Agreement, dated as of the Bond Closing Date, by and between Buyer and Seller.

"Real-Time Market Price" means The Five Minute Market (FMM) Locational Marginal Price for the Energy Delivery Point for each applicable interval as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

"Remarketing Non-Default Termination Event" has the meaning specified in Exhibit C.

"Remarketing Notice" has the meaning specified in Exhibit C.

"Renewable Energy Credit" or "REC" has the meaning specified for "Renewable Energy Credit" in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

"Repurchase Offer" has the meaning specified in Exhibit G.

"Reset Period" means each "Reset Period" under the Re-Pricing Agreement.

"Schedule", "Scheduled" or "Scheduling" means the actions of Seller, Buyer and/or their designated representatives, including each Party's Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

"Seller" has the meaning specified in the preamble.

"Seller Custodial Agreement" means that certain Custodial Agreement, dated as of the Bond Closing Date, by and among the Swap Counterparty, Seller, the Trustee and The Bank of New York Mellon Trust Company, N.A., as custodian, as the same may be amended, modified or supplemented from time to time.

"Seller Default" has the meaning specified in Section 17.1.

"Seller Specified Termination" has the meaning specified in Section 17.5.

"Seller Swap" means (i) the transaction confirmation entered into under the ISDA Master Agreement, dated as of the date hereof, by Seller and the Swap Counterparty, and (ii) each replacement Seller Swap entered into pursuant to Section 17.5.

"Specified Discount" means the amount specified in Exhibit F.

"Specified Fixed Price" means the amount specified in Exhibit F.

"Specified Investment Agreement" means a guaranteed investment contract between the Trustee and a provider concerning the investment of funds in the Debt Service Account (as defined in the Bond Indenture).

"Swap Counterparty" means [____], a [____], and any other Person that becomes counterparty to Buyer under a Buyer Swap or to Seller under a Seller Swap, in each case pursuant to Section 17.5.

"Swap Replacement Period" has the meaning specified in Section 17.5(a).

"Terminating Party" means any Party that has the right to terminate this Agreement pursuant to Article XVII.

"Termination Payment" means, with respect to any Early Termination Payment Date, the amount specified on Exhibit D for the calendar month in which such Early Termination Payment Date occurs (as adjusted by any applicable Termination Payment Adjustment Amount) without any set-off or netting of amounts then due from Buyer.

"Termination Payment Adjustment Amount" means, with respect to any Early Termination Payment Date, the amount specified on Exhibit D-1 for the calendar month in which such Early Termination Payment Date occurs. For the avoidance of doubt, the Termination Payment Adjustment Amount for the period commencing on the Execution Date is zero (0).

"Termination Payment Adjustment Schedule" means the schedule of Termination Payment Adjustment Amounts set forth in Exhibit D-1, as such exhibit may be populated and amended from time to time in accordance with Section 17.8.

"Transaction Documents" has the meaning specified in Article XIII.

"Transmission Provider(s)" means any entity or entities transmitting or transporting Energy on behalf of Seller or Buyer to or from an Energy Delivery Point.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., and its successors as Trustee under the Bond Indenture.

"WREGIS" means the Western Renewable Energy Generation Information System or its successor.

Section 1.2 Definitions; Interpretation. References to "Articles," "Sections," "Schedules" and "Exhibits" shall be to Articles, Sections, Schedules and Exhibits, as the case may be, of this Agreement unless otherwise specifically provided. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose or be given any substantive effect. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words

of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the scope of such general statement, term or matter. Any reference herein to any agreement or document includes all amendments, supplements or restatements to and of such agreement or document as may occur from time to time, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof.

ARTICLE II.
EXECUTION DATE AND DELIVERY PERIOD

Section 2.1 Execution Date; Delivery Period. This Agreement shall become effective upon the Execution Date and, unless this Agreement is terminated early pursuant to Section 2.2, all of Seller's and Buyer's obligations under this Agreement shall be deemed to have been incurred upon the Execution Date. Unless this Agreement is terminated pursuant to Section 2.2, then, upon receipt of the Prepayment, the delivery of Energy under this Agreement shall commence and continue for the Delivery Period, unless an Early Termination Date occurs.

Section 2.2 Termination by Seller Prior to Prepayment. Seller shall have no obligation to perform under this Agreement unless and until it has received the Prepayment from Buyer pursuant to Section 3.2. In the event Seller has not received the Prepayment prior to noon local time in New York, New York on the Prepayment Outside Date, Seller shall have the right, until such Prepayment has been paid, to terminate this Agreement without any further obligation or liability of either Party; *provided* that, for the avoidance of doubt, in the event Seller so terminates, such termination shall be effective upon the Prepayment Outside Date regardless of whether Buyer tenders the Prepayment after Seller's notice of termination but prior to the Prepayment Outside Date. For the avoidance of doubt, no Termination Payment shall be payable by Seller under any circumstances if this Agreement terminates pursuant to this Section 2.2.

ARTICLE III.
SALE AND PURCHASE

Section 3.1 Sale and Purchase of Energy.

(a) Seller agrees to sell and deliver or cause to be delivered to Buyer, and Buyer agrees to take or cause to be taken from Seller, in each case, on a Firm (LD) basis, the Contract Quantity pursuant to the terms and conditions set forth in this Agreement. Energy delivered to Buyer under this Agreement shall be re-delivered to the Project Participant on a floating price basis throughout the Delivery Period. The Parties acknowledge and agree that Seller's delivery obligation for (i) Assigned Products will be measured on an annual basis and (ii) Base Energy will be measured on an Hourly basis, as reflected in the definition of Contract Quantity and further set forth in the terms of this Agreement.

(b) In recognition that Seller will have increased floating price payment obligations to the Swap Counterparty under the Seller Swap with respect to negatively priced Energy and the Swap Counterparty will have increased floating price payment obligations to Buyer under the Buyer Swap with respect to negatively priced Energy, the Parties acknowledge and agree that Seller shall have no payment obligations to Buyer with respect to negatively priced Energy.

Furthermore, with respect to any negatively priced Energy remarketed pursuant to this Agreement, Seller's payment obligations under Exhibit C shall be reduced to the extent that such Energy is negatively priced.

Section 3.2 Prepayment. Prior to the commencement of the Delivery Period, Buyer shall pay Seller for all Energy to be delivered during the Delivery Period in an amount equal to the Prepayment, and Seller shall accept the Prepayment as payment in full for all Energy to be delivered hereunder. Buyer shall pay the Prepayment in a single lump sum payment by wire transfer of immediately available funds to an account designated by Seller. In no event shall Buyer be entitled to any rebate or refund of the Prepayment, but nothing in this Section 3.2 shall limit Buyer's rights under (i) Article IV for Seller's failure to deliver Energy (whether or not excused), (ii) Article XVII upon early termination of this Agreement or (iii) Exhibit C with respect to remarketing of Energy in accordance therewith. In no event shall Buyer be required to pay the Prepayment unless and until the Bonds are issued in exchange for a purchase price sufficient to pay costs of issuance, to fund required reserves under the Bond Indenture (or purchase surety bonds or enter into any similar arrangements in lieu of funding such reserves), and to pay the Prepayment.

Section 3.3 Other Amounts Payable with Respect to Assigned Products.

(a) With respect to Monthly Excess Quantities and Assigned Paygo Quantities delivered hereunder, Buyer shall pay Seller an amount equal to the quantity of such Monthly Excess Quantities and Assigned Paygo Quantities, as applicable, multiplied by the price specified for Assigned Product under the applicable Assignment Agreement; provided that the Parties acknowledge and agree that the Project Participant's payment of the Retained Payment Amount (as defined in the Participant Custodial Agreement) shall be deemed to satisfy Buyer's payment obligation hereunder with respect to any such Monthly Excess Quantities and Assigned Paygo Quantities. To the extent the Project Participant fails to pay any amounts when due under the Participant Custodial Agreement with respect to Monthly Excess Quantities or Assigned Paygo Quantities, Buyer shall promptly transfer the resulting Excess Receivables (as defined in Exhibit G) to Seller, and the transfer of such Excess Receivables shall satisfy Buyer's payment obligation with respect thereto.

(b) After the Annual Quantity has been delivered for any Contract Year, Seller shall pay Buyer (i) the Day-Ahead Market Price with respect to any remaining Monthly Projected Quantities for any such Contract Year during the Initial EPS Energy Period and (ii) the Day-Ahead Average Price with respect to any remaining Monthly Projected Quantities for any such Contract Year during any other EPS Energy Period.

Section 3.4 No Obligation to Take Base Energy. Notwithstanding anything to the contrary in this Agreement, Buyer shall not be required to purchase and receive any Base Energy hereunder, and Seller shall remarket any portion of the Contract Quantity that is Base Energy pursuant to the provisions of Exhibit C.

Section 3.5 Reduction of Contract Quantity. The Parties recognize and agree that the Contract Quantity may be reduced in a Reset Period pursuant to the re-pricing methodology described in the Re-Pricing Agreement if necessary to achieve a successful

remarketing of the Bonds. The Parties agree further that if, pursuant to the Re-Pricing Agreement, Buyer and the Calculation Agent (as defined in the Bond Indenture) determine in connection with the establishment of any new Reset Period that: (i) such Reset Period will be the final Reset Period and (ii) such Reset Period will end prior to the end of the original Delivery Period, then (A) the Delivery Period will be deemed to be modified so that it ends at the end of such Reset Period, and (B) the Contract Quantity for the last Month in such Reset Period may be reduced as provided in the Re-Pricing Agreement.

ARTICLE IV.
FAILURE TO DELIVER OR TAKE ENERGY

Section 4.1 Assigned Product. Notwithstanding anything herein to the contrary, neither Seller nor Buyer shall have any liability or other obligation to one another under this Agreement for any failure to Schedule, take, or deliver Assigned Product other than as set forth in Section 5(a) of Exhibit C for any failure to Schedule, take or deliver.

Section 4.2 Failure to Deliver or Take Due to Force Majeure. If with respect to all or any portion of the Contract Quantity of Base Energy:

(a) Buyer fails to take or Seller fails to deliver all or any portion of the Contract Quantity at any Delivery Point pursuant to the terms of this Agreement; and

(b) such failure is due to Force Majeure claimed by either Party,

then Seller shall pay to Buyer the result determined by the following formula with respect to each such Delivery Point:

P = Q x IP

Where:

P = The amount payable by Seller under this Section 4.2;

Q = The quantity of Energy described in the lead-in to this Section 4.2; and

IP = With respect to Base Energy, the Contract Index Price applicable to such Delivery Hour and Energy Delivery Point for Base Energy.

The Parties acknowledge and agree that any failure to deliver the Annual Quantity of Assigned Energy, whether or not due to Force Majeure, is subject to the terms of Section 5(a) of Exhibit C.

ARTICLE V.
TRANSMISSION AND DELIVERY; COMMUNICATIONS

Section 5.1 Delivery of Energy.

(a) Assigned Product. All Assigned Energy delivered under this Agreement shall be Scheduled at the applicable Assigned Delivery Point and in accordance with the terms of the applicable Assignment Agreement. All other Assigned Product shall be delivered consistent with the terms of the applicable Assignment Agreement. Except as set forth in the two foregoing sentences, Buyer and Seller shall have no liability or obligations under this Article V with respect to Assigned Product.

(b) Updates to Exhibits. Buyer and Seller may, upon mutual agreement, update Exhibit A-1 to modify the Delivery Points thereunder, provided that the Parties shall promptly notify any Swap Counterparty of any such updates and furthermore shall update the corresponding exhibits to any Buyer Swap and any Seller Swap in accordance with the terms thereof. Furthermore, following the Initial EPS Energy Period and thereafter in connection with the establishment, expiration or termination of any subsequent EPS Energy Period, the Parties shall update (i) the exhibits hereto in accordance with Section 6.2 and (ii) the exhibits to any Buyer Swap and any Seller Swap in accordance with the terms thereof. For the avoidance doubt, such updates will reflect that deliveries will be made to (A) the Energy Delivery Point at the Day-Ahead Market Price for any Base Energy and (B) an Assigned Delivery Point at the Day-Ahead Average Price for any Assigned Energy.

Section 5.2 Scheduling. Scheduling of Assigned Energy shall be in accordance with the applicable Assignment Schedule.

Section 5.3 Title and Risk of Loss. The transfer of title and risk of loss for all Assigned Product other than Assigned Energy shall be in accordance with the applicable Assignment Agreement; provided that all Assignment Agreements shall provide for the transfer of Renewable Energy Credits in accordance with WREGIS.

Section 5.4 PCC1 Product and Long-Term PCC1 Product. To the extent that any Assigned Product is PCC1 Product or Long-Term PCC1 Product, the following provisions apply:

(a) Eligibility. Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC 6, Non-Modifiable. (Source: D.07-11-025, Attachment A.) D.08-04-009]**. As used above, any capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned Agreement.

(b) Transfer of Renewable Energy Credits. Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the renewable energy credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the

California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law. **[STC REC-1, Non-modifiable. D.11-01-025]**. As used above, any capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned Agreement.

(c) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. **[STC REC-2, Non-modifiable. D.11-01-025].** As used above, any capitalized terms not otherwise defined herein shall have the meaning specified in the Assigned Agreement.

(d) Governing Law. This Agreement 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. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**

(e) Seller Representations and Warranties.

Seller represents and warrants:

(i) Seller has the right to sell the Assigned Product from the Applicable Project;

(ii) Seller has not sold the Assigned Product or any REC or other attributes of the Assigned Product to be transferred to Buyer to any other person or entity;

(iii) the Energy component of the Assigned Product produced by the Applicable Project and purchased by Seller for resale to Buyer hereunder is not being sold by Seller back to the Applicable Project or PPA Supplier;

(iv) Assigned Energy and Assigned RECs to be purchased and sold pursuant to this Agreement are not committed to another party;

(v) The Assigned Product is free and clear of all liens or other encumbrances;

(vi) Seller will deliver to Buyer all Assigned Energy and associated RECs generated by the Applicable Project for Long-Term PCC1 Product in compliance with the California Long-Term Contracting Requirements, if applicable

(vii) The Assigned Product supplied to Buyer under this Agreement that is Long-Term PCC1 Product will be sourced solely from Applicable Projects that have an Assignment Period of ten years or more in

length, or otherwise in compliance with the California Long Term Contracting Requirements; and

(viii) Seller will cooperate and work with Buyer, the CEC, and/or the CPUC to provide any documentation required by the CPUC or CEC to support the Product's classification as a Portfolio Content Category 1 Product as set forth in California Public Utilities Code Section 399.16(b)(1) or, if applicable, or compliance with the California Long-Term Contracting Requirements.

Seller further represents and warrants to Buyer that, to the extent that the Product sold by Seller is a resale of part or all of a contract between Seller and one or more third parties, Seller represents, warrants and covenants that the resale complies with the following conditions in (i) through (iv) below during the Assignment Period and throughout the generation period:

(i) The original upstream third-party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1);

(ii) This Agreement transfers only electricity and RECs that have not yet been generated prior to the Assignment Period;

(iii) The electricity transferred by this Agreement is transferred to Buyer in real time; and

(iv) If the Applicable Project has an agreement to dynamically transfer electricity to a California balancing authority, the transactions implemented under this Agreement are not contrary to any condition imposed by a balancing authority participating in the dynamic transfer arrangement.

(f) Subsequent Changes in Law. In the event that the qualifications or requirements of the RPS program, PCC1 Product or the California Long-Term Contracting Requirements change, Seller shall take commercially reasonable actions to meet the amended qualifications or requirements of the RPS Law, PCC1 Product or the California Long-Term Contracting Requirements but will not be required to incur any unreimbursed costs to comply with the RPS Law, PCC1 or the California Long- Term Contracting Requirements, collectively.

(g) Limitations. Notwithstanding anything to the contrary in this Agreement, the Parties acknowledge and agree as follows:

(i) Seller has relied exclusively upon the representations and warranties of each respective seller set forth in the Assigned Agreements in making the representations and warranties set forth in this Section 5.4 and has not performed any independent investigation with respect thereto;

(ii) Seller agrees that it will terminate or cause MSCG to terminate the applicable Assignment Period in the event that any representation or warranty in this Section 5.4 proves to be incorrect in any respect;

(iii) Buyer agrees that its sole recourse for any breach of the provisions of this Section 5.4 shall be the termination of the applicable Assignment Period and Buyer shall have no other recourse against Seller or remedies under this Agreement; and

(iv) Section 5.4(d) shall only apply to the provisions of this Section 5.4 and all other provisions of this Agreement shall remain subject to and interpreted in accordance with Section 18.4.

Section 5.5 Deliveries within CAISO or Another Balancing Authority. The Parties acknowledge that Energy delivered by Seller at a Delivery Point within CAISO or another Balancing Authority will be delivered in accordance with the CAISO Tariff and rules of the Balancing Authority as applicable. Scheduling such Energy in accordance with the requirements of the applicable Balancing Authority shall constitute delivery of such Energy to Buyer, provided that any Assigned Products associated with the Energy are also delivered to Buyer hereunder.

Section 5.6 Assigned Products. Notwithstanding anything to the contrary herein, the Parties shall have no liability under this Article V with respect to any Assigned Products.

ARTICLE VI.
PARTIAL ASSIGNMENTS OF PPAS

Section 6.1 Future PPA Assignments. Subsequent to the Initial EPS Energy Period, the Project Participant, Seller, Buyer and MSCG shall cooperate to obtain EPS Compliant Energy for delivery hereunder in accordance with the Assignment Letter Agreement.

Section 6.2 Updates to Exhibits A-1 and A-2.

(a) To the extent that an EPS Energy Period terminates or expires and Assigned Energy is not available for delivery immediately following (i) the end of the period for which Force Majeure is deemed to occur in the event of an early termination or (ii) the expiration of an EPS Energy Period, the Parties shall update (i) Exhibit A-1 to reflect an increase in the Hourly Quantities of Base Energy and (ii) Exhibit A-2 to reflect a decrease in the Monthly Quantities of Assigned Energy thereunder, in each case, in an amount equal to the Assigned Energy associated with the EPS Energy Period that terminated or expired.

(b) In connection with the execution of any subsequent Assignment Agreement, the Parties shall update Exhibits A-1 and A-2 to reflect (i) appropriate decreases in the Hourly Quantities of Base Energy and increases in the Monthly Quantities of Assigned Energy and (ii) any other changes in connection therewith.

ARTICLE VII.
ENERGY REMARKETING

If (a) the Project Participant is in default under the Power Supply Contract or does not require or is unable to receive all or any portion of the Energy purchased by Buyer under this Agreement as a result of (i) the Project Participant's decreased Energy requirements, (ii) decreased

demand by the Project Participant's retail customers and its request that such Energy be remarketed or (iii) EPS Compliant Energy not being available for delivery hereunder; or (b) a quantity of Assigned Energy less than the Annual Quantity is delivered hereunder in any Contract Year for any reason, then Buyer shall request (and pursuant to Exhibit C may be deemed to request) remarketing services from Seller pursuant to the provisions of Exhibit C.

ARTICLE VIII.
REPRESENTATIONS AND WARRANTIES

Section 8.1 Representations and Warranties. As a material inducement to entering into this Agreement, each Party, with respect to itself, hereby represents and warrants to the other Party as of the Execution Date as follows:

(a) it is duly organized and validly existing under the Laws of the state in which it is organized;

(b) it has all requisite power and authority to conduct its business, to own its properties and to execute, deliver and perform its obligations under this Agreement;

(c) there is no litigation, action, suit, proceeding or investigation pending or, to the best of such Party's knowledge, threatened, before or by any Government Agency, which could reasonably be expected to materially and adversely affect the performance by such Party of its obligations under this Agreement or that questions the validity, binding effect or enforceability hereof, any action taken or to be taken by such Party pursuant hereto, or any of the transactions contemplated hereby;

(d) the execution, delivery and performance of this Agreement by such Party has been duly authorized by all necessary action on the part of such Party and does not require any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party;

(e) this Agreement has been duly executed and delivered on behalf of such Party by an appropriate officer or authorized Person of such Party and constitutes the legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors' rights generally and by general principles of equity;

(f) the execution, delivery and performance of this Agreement by such Party shall not violate any provision of any Law, decree or other legal or regulatory determination applicable to it;

(g) the execution, delivery and performance by such Party of this Agreement, and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its financial obligations under this Agreement, shall not result in any violation of any term of any material contract or agreement applicable to it, or any of its charter or bylaws or of any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, Law or ordinance applicable to it or any of its properties or to any obligations incurred by it or by which it or any of its properties or obligations are bound or affected, or of any determination or award of

any arbitrator applicable to it, and shall not conflict with, or cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets, except with respect to Buyer, the lien of the Bond Indenture;

(h) to the best of the knowledge and belief of such Party, no consent, approval, order or authorization of, or registration, declaration or filing with, or giving of notice to, obtaining of any license or permit from, or taking of any other action with respect to, any Government Agency is required in connection with the valid authorization, execution, delivery and performance by such Party of this Agreement or the consummation of any of the transactions contemplated hereby other than those that have been obtained; and

(i) it enters this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by both Parties, considers this Agreement a legally enforceable contract.

Section 8.2 Additional Representations and Warranties of Buyer. As a material inducement to entering into this Agreement, Buyer hereby represents and warrants to Seller as of the Execution Date as follows:

(a) Buyer is entering into this Agreement for the purpose of acquiring Energy for sale to its Project Participant pursuant to the Power Supply Contract;

(b) any amounts payable by Buyer under this Agreement shall (i) other than the Prepayment, be payable as an item of Operating Expense under (and as defined in) the Bond Indenture, and (ii) not constitute an indebtedness or liability of Buyer within the meaning of any constitutional or statutory limitation or restriction applicable to Buyer;

(c) Buyer will promptly alert Seller of any notice received by Buyer alleging a breach under the Bond Indenture or of any covenant of Buyer in the agreements entered into by Buyer in connection with the Energy Project;

(d) Buyer shall not (i) enter into any Bond Documents (excluding any contracts applicable to Energy being resold by Buyer or the Project Participant (or a related joint powers authority selling Energy to the Project Participant)), (ii) consent to, waive or agree to or permit any material amendment to or rescission of any such Bond Documents or (iii) consent to, waive or agree to permit any amendment (whether or not material) to or rescission of the Bond Indenture, in each case, without the prior written consent of Seller;

(e) Buyer shall collect and forthwith cause to be deposited in the relevant funds pursuant to the Bond Indenture all amounts payable to it pursuant to the Power Supply Contract. Buyer shall enforce the provisions of the Power Supply Contract, as well as any other contract or contracts entered into relating to the Energy Project, and duly perform its covenants and agreements thereunder. Buyer shall not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Power Supply Contract which will impair the ability of Buyer to pay all of its debts and obligations as they come due; provided that this provision shall not prevent Buyer from otherwise taking any action under or in connection with the Power Supply Contract which is expressly permitted pursuant to the provisions thereof. A copy of the Power Supply Contract and any amendment

thereto certified by an authorized officer of Buyer shall be provided to Seller. Buyer shall not enter into any new Power Supply Contract following the Bond Closing Date without the prior written consent of Seller;

(f) Buyer shall keep or cause to be kept with respect to the Energy Project proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles, as such may be modified by the provisions of the Bond Indenture, in which complete and correct entries shall be made of its transactions relating to the Energy Project, the amount of revenues and the application thereof and each fund and account established under the Bond Indenture and relating to its costs and charges under the Power Supply Contract and any other contracts for the sale or purchase of Energy, and which, together with all contracts and all other books and papers of Buyer relating to the Energy Project, shall, subject to the terms thereof, at all times during regular business hours be subject to the inspection of Seller;

(g) Buyer shall from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of Buyer or upon the rights, revenues, income, receipts, and other moneys, securities and funds of Buyer when the same shall become due, and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which Buyer shall in good faith contest by proper legal proceedings if Buyer shall in all such cases have set aside on its books reserves deemed adequate by Buyer with respect thereto;

(h) Buyer shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to maintain its existence; and

(i) Buyer shall not consolidate or amalgamate with, or merge with or into, or transfer all or substantially all its assets to, or reorganize, reincorporate or reconstitute into or as, another entity unless (i) prior to such event, Buyer receives confirmation from Seller that such event does not trigger a termination event under this Agreement or the Buyer Swap and (ii) at the time of such consolidation, amalgamation, merger, transfer, reorganization, reincorporation or reconstitution, the resulting, surviving or transferee entity assumes all the obligations of Buyer under this Agreement and the Buyer Swap.

Section 8.3 Warranty of Title. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Energy sold under this Agreement and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT FOR THE WARRANTIES EXPRESSLY MADE BY SELLER IN THIS ARTICLE VIII, SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

ARTICLE IX.
TAXES

Seller shall (i) be responsible for all ad valorem, excise and other taxes assessed with respect to Energy delivered pursuant to this Agreement upstream of the Delivery Points, and

(ii) indemnify Buyer and its Affiliates for any such taxes paid by Buyer or its Affiliates. Buyer shall (i) be responsible for all such taxes assessed at or downstream of the Delivery Points, and (ii) indemnify Seller and its Affiliates for any such taxes paid by Seller or its Affiliates.

ARTICLE X.
DISPUTE RESOLUTION

Section 10.1 Arbitration. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("JAMS") pursuant to its Comprehensive Arbitration Rules and Procedures. Within 15 days after the commencement of arbitration, each of the Parties shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "chairperson") within 30 days of the commencement of the arbitration. If either Party is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the Party-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by either Party or have any direct pecuniary interest in either Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by each of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party, if any, the costs and attorneys' fees reasonably incurred in seeking to enforce the application of this Section 10.1 and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 10.1, any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

Section 10.2 Dispute Resolution.

(a) Judicial Reference. Without limiting the provisions in Section 10.1, if Section 10.1 is ineffective or unenforceable, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "Dispute") shall be resolved by a reference proceeding in California in

accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("CCP"), or their successor sections (a "Reference Proceeding"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 10.2(b).

(b) Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "Disputing Party") shall provide the other Party (the "Responding Party") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "Notice of Dispute"). Within 10 days after receiving the Notice of Dispute, the Responding Party shall provide the Disputing Party with a written Notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "Dispute Response"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by mutual agreement within 60 days after receipt of the Dispute Response, (the "Negotiation Period"), then either Party may provide to the other Party written notice of intent for judicial reference (the "Impasse Notice") in accordance with the further provisions of this Section 10.2.

(c) Applicability; Selection of Referees.

(i) The Party that provides the Impasse Notice shall nominate one referee at the same time it provides the Impasse Notice. The other Party shall nominate one referee within 10 days of receiving the Impasse Notice. The two referees (the "Party-Appointed Referees") shall appoint a third referee (the "Third Referee", together with the Party-Appointed Referees, the "Referees"). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least 10 years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of either Party and of the other referees and not employed by any of the Parties in any prior matter.

(ii) If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the "Court"), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each Party shall have one (1) peremptory challenge to the referee selected by the Court.

(d) Discovery; Proceedings.

(i) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and

trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(ii) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(iii) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(iv) All proceedings and hearings conducted before the referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the referees, and the referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

(e) Decision. The referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(f) Expenses. Each Party shall bear the compensation and expenses of its respective Party-Appointed Referee, own counsel, witnesses, consultants and employees. All other expenses of judicial reference shall be split equally between the Parties.

ARTICLE XI.
FORCE MAJEURE

Section 11.1 Applicability of Force Majeure. To the extent either Party is prevented by Force Majeure from carrying out, in whole or part, its obligations under this Agreement and such Party (the "Claiming Party") gives notice and details of the Force Majeure to the other Party as soon as practicable, then the Claiming Party shall be excused from the performance of its obligations with respect to this Agreement (other than the obligation to make payments then due or becoming due with respect to performance prior to the Force Majeure). The Claiming Party shall mitigate the Force Majeure with all reasonable dispatch. For the duration of the Claiming Party's non-performance (and only for such period), the non-Claiming Party shall not be required to perform or resume performance of its obligations to the Claiming Party corresponding to the obligations of the Claiming Party excused by Force Majeure.

Section 11.2 Settlement of Labor Disputes. Notwithstanding anything to the contrary herein, the Parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance, and the failure of a Party to settle such strikes, lockouts or other industrial disturbances shall not prevent the existence of Force Majeure or of reasonable dispatch to remedy the same.

ARTICLE XII.
GOVERNMENTAL RULES AND REGULATIONS

Section 12.1 Compliance with Laws. This Agreement shall be subject to all present and future Laws of any Government Agency having jurisdiction, and neither Party has knowingly undertaken or will knowingly undertake or knowingly cause to be undertaken any activity that would conflict with such Laws; *provided*, however, that nothing herein shall be construed to restrict or limit either Party's right to object to or contest any such Law, or its application to this Agreement or the transactions undertaken hereunder, and neither acquiescence therein or compliance therewith for any period of time shall be construed as a waiver of such right.

Section 12.2 Contests. Excluding all matters involving a contractual dispute between the Parties, no Party shall contest, cause to be contested or in any way actively support the contest of the equity, fairness, reasonableness or lawfulness of any terms or conditions set forth or established pursuant to this Agreement, as those terms or conditions may be at issue before any Government Agency in any proceeding, if the successful result of such contest would be to preclude or excuse the performance of this Agreement by either Party.

Section 12.3 Defense of Agreement. Excluding all matters involving a contractual dispute between the Parties, each Party shall hereafter defend and support this Agreement before any Government Agency in any proceeding, if the substance, validity or enforceability of all or any part of this Agreement is hereafter directly challenged or if any proposed changes in regulatory practices or procedures would have the effect of making this Agreement invalid or unenforceable or would otherwise materially affect the rights or obligations of the Parties under this Agreement.

ARTICLE XIII.
ASSIGNMENT

Neither Party shall assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of the other Party; provided, however, that:

(a) pursuant to the Bond Indenture, Buyer may, without the consent of Seller, transfer, sell, pledge, encumber or assign this Agreement to the Trustee in connection with any financing or other financial arrangements; provided that Buyer shall not assign this Agreement unless, contemporaneously with the effectiveness of such assignment, Buyer also assigns the Buyer Swap (and the Buyer Custodial Agreement) to the same assignee;

(b) With the prior written consent of Buyer, not to be unreasonably withheld, Seller may assign this Agreement to an Affiliate of Seller, provided that the Morgan Stanley Guarantee continues to apply to the obligations of such assignee hereunder or the assignee provides to Buyer a parent guarantee and a Rating Confirmation (as defined in the Bond Indenture), which

assignment shall constitute a novation; provided that, Seller shall not assign this Agreement unless, contemporaneously with the effectiveness of such assignment, Seller also assigns the Seller Swap (and the Seller Custodial Agreement) to the same assignee; and

(c) if either (A) Seller notifies Buyer that the Morgan Stanley Guarantee will be terminated as of the end of any Interest Rate Period; (B) Seller is unable to provide, under the Re-Pricing Agreement, an estimated Available Discount (as defined in the Re-Pricing Agreement) that is equal to or greater than the Minimum Discount under the Power Supply Contract; or (C) the circumstances set forth in Section 5(b)(iii) of the Re-Pricing Agreement regarding replacement of Seller with an Alternative Supplier (as defined in the Re-Pricing Agreement) apply, Seller will reasonably cooperate with Buyer to cause Seller's (or Seller's Affiliate's, if applicable) right, title and interest in this Agreement, the Re-Pricing Agreement, the Seller Swap, the Seller Custodial Agreement, the Interest Rate Swap and any Specified Investment Agreement with a term that extends past the then-current Interest Rate Period to which Seller or any Affiliate is a party and all agreements related to any of the foregoing (the "Transaction Documents") to be novated to a replacement seller; provided that (x) a Rating Confirmation (as defined in the Bond Indenture) is obtained for any Bonds required to be redeemed on the first Mandatory Purchase Date following the effective date of such novation, (y) the Swap Counterparty shall have provided its prior written consent to such assignment in accordance with the terms of the Seller Swap, and (z) after giving effect to such novation, neither Seller nor Morgan Stanley will have any obligations (contingent or otherwise, including any obligation to make or repeat any representations or warranties other than basic representations on authority and the right to transfer its rights, title and interests under this Agreement without encumbrances) or be required to make any payment under any Transaction Document, the Morgan Stanley Guarantee or otherwise in connection with or following such novation other than any obligations that would have existed or payments that would have been required (or guaranteed) had this Agreement terminated as of the end of the last Reset Period that commenced prior to such novation.

ARTICLE XIV.
PAYMENTS

Section 14.1 Monthly Statements.

(a) No later than the 5th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period, Buyer shall deliver to Seller a statement (a "Buyer's Statement") listing any other amounts due to Buyer in connection with this Agreement with respect to the prior Month(s).

(b) No later than the 10th day of each Month during the Delivery Period (excluding the first Month of the Delivery Period) and the first Month following the end of the Delivery Period (the "Billing Date"), Seller shall deliver a statement (a "Billing Statement") to Buyer and each of the other Parties to the Participant Custodial Agreement indicating (i) the total amount due to Buyer, if any, under Article IV, Article V, Article VII and Exhibit C with respect to the prior Month(s), (ii) any amounts due to Seller in connection with this Agreement with respect to the prior Month(s), and (iii) the net amount due to Buyer or Seller; provided that invoicing for Monthly Excess Quantities and Assigned Paygo Quantities shall occur under the Participant Custodial Agreement. If a Participant Monthly Statement (as defined in the Participant Custodial

Agreement) for an Assigned PPA (as defined in the Participant Custodial Agreement) has not been delivered by the 10th day of the Month following deliveries, Seller shall provisionally prepare or cause to be prepared a Billing Statement for this Agreement that assumes all of the Monthly Projected Quantities were delivered under the applicable Assigned PPA for such Month, and any subsequent resettlements required with respect thereto shall occur under the Participant Custodial Agreement. As set forth in Section 5(a) of Exhibit C, in any Billing Statement that Seller delivers that reflects a Provisional Payment due, Seller shall indicate (x) the total amount of any Provisional Payment due for such Month and (y) the portion of such Provisional Payment that reflects the Net Participant Price that would otherwise be payable with respect thereto.

(c) Upon request by either Party, the other Party shall deliver such supporting documentation of the foregoing as such requesting Party may reasonably request.

Section 14.2 Payment.

(a) If the Billing Statement indicates an amount due from Buyer, then Buyer shall remit such amount to Seller by wire transfer (pursuant to Seller's instructions), in immediately available funds, on or before the later of (i) the 25th day of the Month following the most recent Month to which such Billing Statement relates, or (ii) the 10th day following Buyer's receipt of Seller's Billing Statement, or if either such day is not a Business Day, the following Business Day. If the Billing Statement indicates an amount due from Seller, then Seller shall remit such amount to Buyer by wire transfer (pursuant to the Trustee's instructions for payments due under this Agreement, provided that amounts due from Seller under Section 5(a) of Exhibit C shall be paid to the Provisional Payments Account under and as defined in the Participant Custodial Agreement), in immediately available funds, on or before the later of (i) the 22nd day of the Month following the most recent Month to which such Billing Statement relates, or (ii) the 10th day following Seller's receipt of Buyer's Statement, or if either such day is not a Business Day, the preceding Business Day.

(b) If Buyer fails to issue a Buyer's Statement with respect to any Month, Seller shall not be required to estimate any amounts due to Buyer for such Month, *provided* that Buyer may include any such amount on subsequent Buyer's Statements issued within the next sixty (60) days. The sixty (60)-day deadline in this subsection (b) replaces the two (2)-year deadline in Section 14.5 with respect to any claim by any non-delivering Party of inaccuracy in any estimated invoice issued or payment made pursuant to this subsection (b).

Section 14.3 Payment of Disputed Amounts. If Seller disputes any amounts included in the Buyer's Statement, Seller shall (a) (except in the case of manifest error) nonetheless calculate the Billing Statement based on the amounts included in Buyer's Statement and (b) pay any amount required by the Billing Statement in accordance with Section 14.2 without regard to any right of set-off, counterclaim, recoupment or other defenses to payment that Seller may have; *provided*, however, that Seller shall have the right, after payment, to dispute any amounts included in a Buyer's Statement or otherwise used to calculate payments due under this Agreement pursuant to Section 14.5(b). If Buyer disputes any amounts included in the Billing Statement, Buyer may withhold payment to the extent of the disputed amount; *provided*, however, that interest shall be due at the Default Rate for any withheld amount later found to have been properly due.

Section 14.4 Late Payment. If a Party owing a net payment under Section 14.2 fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at the Default Rate.

Section 14.5 Audit; Adjustments.

(a) A Party shall have the right, at its own expense, upon reasonable notice to the other Party and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other Party to the extent reasonably necessary, but only to such extent, to verify the accuracy of any statement, charge, payment, or computation made under this Agreement. This right to examine, audit, and obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Agreement.

(b) Each Buyer's Statement and each Billing Statement shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such Buyer's Statement or Billing Statement is objected to in writing, with adequate explanation and/or documentation, within two (2) years after the applicable Month of Energy delivery.

(c) All retroactive adjustments shall be paid in full by the Party owing payment within 30 days of notice and substantiation of such inaccuracy. If the Parties are unable to agree upon any retroactive adjustments requested by either Party within the time period specified in Section 14.5(b), then either Party may pursue any remedies available with respect to such adjustments at law or in equity. Retroactive adjustments for payments made based on incorrect Buyer's Statements or Billing Statements shall bear interest at the Default Rate from the date such payment was made. Buyer shall cause the Project Participant to comply with the provisions of Section 14.5(a) to the extent necessary to allow Seller to verify any amounts due under this Agreement.

Section 14.6 Netting. The Parties shall net all amounts due and owing, including any past due amounts (which, for the avoidance of doubt, shall include any accrued interest), arising under this Agreement such that the Party owing the greater amount shall make a single payment of the net amount to the other Party in accordance with this Article XIV. Notwithstanding the foregoing, Seller shall not be entitled to net (i) any amounts that are in dispute or (ii) any payments due to Seller against (A) the Termination Payment if it becomes due, or (B) any payments due from Seller pursuant to Article IV, Article V or Exhibit C.

ARTICLE XV.
RECEIVABLES PURCHASES

In accordance with the provisions of Exhibit G, Buyer shall put and Seller shall purchase certain Put Receivables (as defined in Exhibit G) from Buyer relating to payment defaults by the Specified Project Participant (as defined in Exhibit G).

ARTICLE XVI.
NOTICES

Any notice, demand, or request required or authorized by this Agreement to be given by one Party to another Party shall be in writing and shall either be sent by electronic means, courier, or personally delivered (including overnight delivery service) to each of the notice recipients and addresses specified in Exhibit B for the receiving Party. Any such notice, demand, or request shall be deemed to be given (i) on the date it is delivered by electronic means, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Party, to change its list of notice recipients and addresses in Exhibit B. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, a Party may at any time notify the other Party that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during the specified period of time shall be ineffective.

ARTICLE XVII.
DEFAULT; REMEDIES; TERMINATION

Section 17.1 Seller Default. Each of the following events shall constitute a "Seller Default" under this Agreement:

(a) Seller fails to pay when due any amounts owed to Buyer pursuant to this Agreement and such failure continues for two Business Days after receipt by Seller of notice thereof, unless Morgan Stanley has made such payment under the Morgan Stanley Guarantee;

(b) Seller: (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(c) any representation or warranty made by Seller in this Agreement proves to have been incorrect in any material respect when made.

Section 17.2 Buyer Default. Each of the following events shall constitute a "Buyer Default" under this Agreement:

(a) Buyer fails to pay when due any amounts owed to Seller pursuant to this Agreement and such failure continues for five Business Days after receipt by Buyer of notice thereof;

(b) Buyer (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency Law or other similar Law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable Laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) through (vii); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(c) any representation or warranty made by Buyer in this Agreement proves to have been incorrect in any material respect when made.

Section 17.3 Non-Default Termination Events.

(a) Each of the following events shall constitute an "Optional Non-Default Termination Event" under this Agreement:

Termination Related to:	Optional Non-Default Termination Event:	Potential Terminating Party:
Performance Prohibited by Law	Any interpretation, enactment or change or amendment to any Governmental Approval or	Each of Buyer or Seller

Termination Related to:	Optional Non-Default Termination Event:	Potential Terminating Party:
	Law occurring after the Execution Date that results or would result in the performance of any obligation of Seller to deliver Energy or of Buyer to receive Energy under this Agreement being prohibited or unlawful.	
Termination of Interest Rate Swap by Buyer Where Seller is the Defaulting Party	Buyer designates an Early Termination Date (as defined in the Interest Rate Swap) pursuant to the terms of such Interest Rate Swap based on an Event of Default (as defined in such Interest Rate Swap) where Seller is the Defaulting Party.	Buyer
Termination of Interest Rate Swap by Buyer	Buyer designates an Early Termination Date (as defined in the Interest Rate Swap) pursuant to such Interest Rate Swap for any reason other than that specified in the immediately preceding Optional Non-Default Termination Event.	Buyer
PSC Remarketing Election	If the Project Participant makes a PSC Remarketing Elections for any Reset Period.	Seller
Termination of Power Supply Contract	If the Power Supply Contract has been terminated or are otherwise no longer in effect as of the end of a Reset Period.	Seller

(b) Each of the following events shall constitute an "Automatic Non-Default Termination Event" under this Agreement:

Termination Related to:	Automatic Non-Default Termination Event:
Termination of a Buyer Swap	Both (A) an Early Termination Date (as defined in the Buyer Swap) is designated pursuant to the terms of the Buyer Swap for any reason or occurs automatically pursuant to the terms of the Buyer Swap based on an Event of Default or Termination Event (as each term is defined in the Buyer Swap), and (B) either the Seller Swap or the Buyer Swap is not replaced within the Swap Replacement Period.
Termination of a Seller Swap for Seller Defaults and Termination Events	Both (A) an Early Termination Date (as defined in the Seller Swap) is designated by the Swap Counterparty pursuant to the terms of the Seller Swap or occurs automatically pursuant to the terms of the Seller Swap based on an Event of Default where Seller is the

Termination Related to:	Automatic Non-Default Termination Event:
	Defaulting Party or a Termination Event where Seller is the sole Affected Party (as each term is defined in the Seller Swap), but excluding any termination as a result of the termination of this Agreement based on (i) a Buyer Default under Section 17.2 or (ii) an Optional Non-Default Termination Event under Section 17.3(a) where Seller is the Terminating Party and (B) except in the case of a Seller Specified Termination (as defined in Section 17.5(a) hereof), either such Seller Swap or the Buyer Swap is not replaced within the Swap Replacement Period.
Termination of a Seller Swap for any Other Reason	Both (A) an Early Termination Date is designated pursuant to the terms of the Seller Swap for any reason other than as specified in the immediately preceding Automatic Non-Default Termination Event and (B) either such Seller Swap or the Buyer Swap is not replaced within the Swap Replacement Period.
Termination of Interest Rate Swap by Seller	Seller designates an Early Termination Date (as defined in the Interest Rate Swap) for any reason under the Interest Rate Swap.
Failed Remarketing	A Failed Remarketing has occurred.
Termination of Morgan Stanley Guarantee	Both (A) Morgan Stanley has delivered a termination notice of the Morgan Stanley Guarantee pursuant to the terms thereof, and (B) no assignment has been effected pursuant to clause (c) of Article XIII prior to the end of the Reset Period during which such termination notice was delivered.
Morgan Stanley Guarantee Ceases to be in Full Force and Effect	The Morgan Stanley Guarantee ceases to be in full force and effect or is declared to be null and void, or Morgan Stanley contests the validity or enforceability of the Morgan Stanley Guarantee; provided that, for avoidance of doubt, no such event will occur as a consequence of Morgan Stanley becoming subject to a receivership, insolvency, liquidation, resolution or similar proceeding.
Remarketing Non-Default Termination Event	The occurrence of a Remarketing Non-Default Termination Event if, by the 90th day after such event, neither (i) Buyer and Seller have taken the actions described in Section 18.3(b), nor (ii) Buyer has otherwise received an Opinion of Bond Counsel (as defined in the Bond Indenture) that such event has not affected the tax-exempt status of the Bonds.

Section 17.4 Remedies and Termination.

(a) Default and Optional Non-Default Termination. If at any time a Seller Default or a Buyer Default has occurred and is continuing or an Optional Non-Default Termination Event has occurred and is continuing, then the Terminating Party, by notice to the other Party specifying the relevant Seller Default, Buyer Default or Optional Non-Default Termination Event, may designate a day not earlier than the day such notice is deemed given under Article XVI as the Early Termination Date; *provided*, however, that:

(i) an Early Termination Date shall occur as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence of a Seller Default specified in Section 17.1(b)(iv) or, to the extent analogous thereto, Section 17.1(b)(viii);

(ii) with respect to an Optional Non-Default Termination Event related to the Buyer Swap, the Terminating Party may, at any time after the commencement of the Swap Replacement Period, conditionally designate an Early Termination Date, with such designation being conditioned upon (A) the termination and failure to replace either the Seller Swap or the Buyer Swap and (B) the Early Termination Date occurring no earlier than the end of such Swap Replacement Period; and

(iii) with respect to an Optional Non-Default Termination Event related to the termination of the Power Supply Contract, if Seller exercises its termination right, the resulting Early Termination Date shall occur as of the end of the then-current Reset Period.

(b) Automatic Non-Default Termination. The Early Termination Date shall occur automatically upon the occurrence of any Automatic Non-Default Termination Event; *provided*, however, in the case of an Automatic Non-Default Termination Event resulting from a termination of the Morgan Stanley Guarantee, the Early Termination Date will occur as of the end of the last day in the then-current Reset Period.

(c) Effect of Early Termination. As of the Early Termination Date, (i) the Delivery Period shall end, (ii) the obligation of Seller to make any further deliveries of Energy to Buyer under this Agreement shall terminate, and (iii) the obligation of Buyer to receive deliveries of Energy from Seller under this Agreement will terminate.

(d) Early Termination Payment Date. (i) In the case of a Failed Remarketing, the last Business Day of the then-current Interest Rate Period, and (ii) in each other case, on the last Business Day of the first Month that commences after the Early Termination Date (the "Early Termination Payment Date"), Seller shall pay the Termination Payment to the Trustee pursuant to payment instructions issued by Buyer or, in the absence of such instructions, by wire transfer. Such amounts shall be paid together with interest thereon (before as well as after judgment) from (and including) the Early Termination Payment Date to (but excluding) the date such amount is paid, at the Default Rate. The Parties acknowledge that it is impractical and difficult to assess actual damages as a result of a termination of this Agreement, and the Parties therefore agree that the payment of the Termination Payment is a fair and reasonable pre-estimate of the actual damages that would be incurred by Buyer as a result of termination of this Agreement for any reason and is not a penalty. The obligation of Seller to pay the Termination Payment on the Early

Termination Payment Date is unconditional, irrespective of the validity or enforceability of this Agreement or any other agreement contemplated hereby, any waiver or consent by Buyer or any other circumstances that might otherwise constitute a legal or equitable discharge of Seller or a defense of Seller to pay the Termination Payment. Seller waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to Seller with regard to Seller's obligation to pay the Termination Payment on the Early Termination Payment Date.

(e) Exclusive Termination Rights. Neither this Agreement nor the Delivery Period may be terminated for any reason except as specified in this Article XVII and in Section 2.2. Except with respect to amounts due for periods prior to termination, the payment of the Termination Payment shall be the sole and exclusive remedy for each Party upon the termination of the Delivery Period and this Agreement for any reason, including as a result of rejection of this Agreement by either Party in any bankruptcy proceedings.

Section 17.5 Replacement of Swaps.

(a) In the event that (i) any Buyer Swap or any Seller Swap terminates, (ii) any notice of termination is delivered by any party to a Buyer Swap or a Seller Swap, or (iii) any Buyer Swap or Seller Swap is otherwise reasonably anticipated to become subject to immediate termination, in each case for any reason other than a Seller Specified Termination or insolvency of either Buyer or Seller, then each Party whose swap is affected shall notify the other Party and the Parties shall cooperate in good faith for a period of 120 days (commencing no later than the date on which any notice of termination (or anticipated termination) is delivered by any party to a Buyer Swap or a Seller Swap) (such period, the "Swap Replacement Period") to (x) cause the same Swap Counterparty whose Buyer Swap or Seller Swap has been terminated (or is anticipated to terminate) to terminate its unaffected Seller Swap or Buyer Swap, as applicable, and (y) locate replacement agreements with an alternate Swap Counterparty, to be mutually agreed upon by Buyer and Seller, to replace both the affected swap and the unaffected swap; provided, however, that neither Party shall be required to breach any obligation under the unaffected swap or to expend any amounts to cause the unaffected swap to be replaced or to cause an alternate counterparty to replace both swaps. Neither Party shall terminate this Agreement as a result of the termination of any Seller Swap or any Buyer Swap without first complying with this Section 17.5.

As used in this Section 17.5, the term "Seller Specified Termination" means a termination or potential termination of the Seller Swap due to (i) an Event of Default (as such term is defined in the Seller Swap) with respect to Seller pursuant to Section 5(a)(i) or 5(a)(iii) of the Seller Swap, in either case other than where (A) any such failure to pay or transfer was caused solely by error or omission of an administrative or operational nature; (B) funds were available to enable Seller to make such payment or transfer when due; and (C) such payment or transfer is made within two (2) Business Days of Seller's receipt of written notice of its failure to pay or transfer, or (ii) an Event of Default (as such term is defined in the Seller Swap) with respect to Seller under Section 5(a)(viii) of the Seller Swap.

(b) In the event of a termination (or anticipated termination) of the Seller Swap, if Seller (i) presents to Buyer a proposed alternate Swap Counterparty, (ii) requests in writing that Buyer enter into a replacement swap with such alternate Swap Counterparty, and (iii) agrees to pay Buyer's reasonable expenses in connection therewith, Buyer shall (y) enter into a master

agreement with such alternate Swap Counterparty and (z) either (A) terminate the Buyer Swap when permitted thereby and enter into a replacement transaction under such new master agreement to the same effect as the terminated Buyer Swap or (B) cause such Buyer Swap to be novated to such replacement Swap Counterparty, *provided* that, in each instance, such replacement Swap Counterparty, replacement master agreement and replacement transaction meet the requirements specified for such under the Bond Indenture. Buyer shall not replace a Buyer Swap without Seller's consent.

(c) Each of Buyer and Seller agree that it will not enter into a replacement Buyer Swap or Seller Swap, as applicable, unless the other Party is replacing its Buyer Swap or Seller Swap, as applicable, with the same replacement Swap Counterparty.

(d) In the event that the Seller Swap terminates or is no longer in effect and the MSES Payments Period (as defined in the Seller Custodial Agreement) is in effect, then, during such Prepaid Seller Payments Period, Seller shall comply with the terms of the Seller Custodial Agreement and make all payments as and when required under Section 3(e) of the Seller Custodial Agreement. In the event that the Buyer Swap terminates or is no longer in effect and the Issuer Payments Period (as defined in the Buyer Custodial Agreement) is in effect, then, during such Issuer Payments Period, Buyer shall comply with the terms of the Buyer Custodial Agreement and make all payments as and when required under Section 3(e) of the Buyer Custodial Agreement. The Parties agree that during any MSES Payments Period (as defined in the Seller Custodial Agreement) and during any Issuer Payments Period (as defined in the Buyer Custodial Agreement), Seller shall act as calculation agent under the Seller Custodial Agreement or the Buyer Custodial Agreement, as applicable. Seller agrees not to permit any amendment or other modification to the Seller Custodial Agreement that could adversely affect the right of Buyer to receive payments pursuant to Section 3(e) of the Seller Custodial Agreement. Buyer agrees not to permit any amendment or other modification to the Buyer Custodial Agreement that could adversely affect the right of Seller to receive payments pursuant to Section 3(e) of the Buyer Custodial Agreement.

Section 17.6 Limitation on Damages. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS HEREIN PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION, OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OF EITHER PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID UNDER THIS AGREEMENT ARE LIQUIDATED, THE PARTIES

ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS. IN DETERMINING THE APPROPRIATE MEASURE OF DAMAGES THAT WOULD MAKE THE PARTIES WHOLE, THE PARTIES HAVE THOROUGHLY CONSIDERED, INTER ALIA, THE UNCERTAINTY OF FLUCTUATIONS IN COMMODITY PRICES, THE ABILITY AND INTENTION OF THE PARTIES TO HEDGE SUCH FLUCTUATIONS, THE BARGAINED-FOR ALLOCATION OF RISK, THE KNOWLEDGE, SOPHISTICATION AND EQUAL BARGAINING POWER OF THE PARTIES, THE ARMS-LENGTH NATURE OF THE NEGOTIATIONS, THE SPECIAL CIRCUMSTANCES OF THIS TRANSACTION, THE ACCOUNTING AND TAX TREATMENT OF THE TRANSACTION BY THE PARTIES, AND THE ENTERING INTO OF OTHER TRANSACTIONS IN RELIANCE ON THE ENFORCEABILITY OF THE LIQUIDATED DAMAGES PROVISIONS CONTAINED HEREIN. THE PARTIES ACKNOWLEDGE THAT THIS IS A SALE OF GOODS SUBJECT TO ARTICLE 2 OF THE NEW YORK UNIFORM COMMERCIAL CODE, INCLUDING WITHOUT LIMITATION, §§ 2-706(6), 2-711, 2-718, AND 2-719.

Section 17.7 Option to Purchase Bonds. In connection with any new Interest Rate Period established under the Bond Indenture after the initial Interest Rate Period, Seller shall have the option to purchase Bonds to be remarketed on the relevant Mandatory Purchase Date by delivering notice to Buyer and the Trustee no later than the last Business Day of the Reset Period that Seller will purchase a quantity of Bonds necessary to avoid the occurrence of a Failed Remarketing. In the event that Seller exercises such option, (x) Seller will be obligated to pay the purchase price of such Bonds in immediately available funds on the Mandatory Purchase Date, and (y) to the extent a PSC Remarketing Election is in effect with respect to the Reset Period commencing immediately prior to such Interest Rate Period, then Seller shall be required to remarket the Contract Quantities associated with the PSC Remarketing Election, *provided* that:

(a) Seller shall be entitled to purchase such Energy for its own account,

(b) for all such Energy, regardless of how it is remarketed, Seller will pay Buyer the amount determined pursuant to Section 5(b)(v) of Exhibit C, and

(c) to the extent that it is determined that interest on the Bonds purchased by Seller is not excluded from gross income for federal income tax purposes, Section 7 through Section 9 of Exhibit C shall not apply to any such remarketing.

Section 17.8 Termination Payment Adjustment Schedule. Seller shall prepare revisions to the then-current Exhibit D-1 (Termination Payment Adjustment Schedule) in connection with each successive Interest Rate Period pursuant to the terms of the Re-Pricing Agreement by delivering a revised Exhibit D-1 to Buyer no later than the last day of the applicable Reset Period, in which case such amendments will be effective as of the first day of the next Interest Rate Period.

ARTICLE XVIII.
MISCELLANEOUS

Section 18.1 Indemnification Procedure. With respect to each indemnification included in this Agreement, the indemnity is given to the fullest extent permitted by applicable Law and the following provisions shall be applicable. The indemnified Party shall promptly notify the indemnifying Party in writing of any Claim and the indemnifying Party shall have the right to assume its investigation and defense, including employment of counsel, and shall be obligated to pay related court costs, attorneys' fees and experts' fees and to post any appeals bonds; *provided*, however, that the indemnified Party shall have the right to employ at its expense separate counsel and participate in the defense of any Claim. The indemnifying Party shall not be liable for any settlement of a Claim without its express written consent thereto. In order to prevent double recovery, the indemnified Party shall reimburse the indemnifying Party for payments or costs incurred in respect of an indemnity with the proceeds of any judgment, insurance, bond, surety or other recovery made by the indemnified Party with respect to a covered event.

Section 18.2 Deliveries. No later than delivery of the Prepayment, Buyer will deliver to Seller a copy of the Bond Indenture. The following documents shall be delivered by the Parties contemporaneously with this Agreement (unless otherwise specified):

(a) by Seller no later than the date of issuance of the Bonds, a Morgan Stanley Guarantee to Buyer guaranteeing Seller's payment obligations under this Agreement to Buyer;

(b) by Buyer, a certificate of the Secretary or Assistant Secretary of Buyer setting forth (i) the resolutions of its governing body with respect to the authorization of Buyer to execute and deliver this Agreement, the Bond Indenture and the Power Supply Contract, (ii) the appropriate individuals who are authorized to sign such agreements, (iii) specimen signatures of such authorized individuals, and (iv) the organization documents of Buyer, certified as being true and complete;

(c) by Seller, evidence reasonably satisfactory to Buyer of (i) Seller's authority to execute and deliver this Agreement and (ii) the appropriate individuals who are authorized to sign this Agreement; and

(d) at Seller's request at any time, Buyer shall provide Seller with a valid sales tax exemption certificate and any other required exemption or resale certificate in jurisdictions where sales of Energy occur under this Agreement to the extent such a certificate can be obtained and is necessary for exemption from any relevant state taxes that may be levied against the Parties in relation to the transactions under, or pursuant, to this Agreement.

Section 18.3 Entirety; Amendments.

(a) This Agreement and the Re-Pricing Agreement, including the exhibits and attachments hereto and thereto, constitute the entire agreement between the Parties and supersedes all prior discussions and agreements between the Parties with respect to the subject matter hereof and thereof. There are no prior or contemporaneous agreements or representations affecting the same subject matter other than those expressed herein and in the Re-Pricing Agreement. Except for any matters that, in accordance with the express provisions of this Agreement, may be resolved by oral agreement between the Parties, no amendment, modification or change herein shall be enforceable unless reduced to writing and executed by both Parties.

(b) If a Remarketing Non-Default Termination Event occurs, then Buyer and Seller may, upon mutual agreement in each Party's sole discretion, amend this Agreement to reduce the Contract Quantity for one or more subsequent Months and to obligate Seller to pay the Trustee for the account of Buyer, an amount sufficient, together with other funds available under the terms of the Bond Indenture for such purpose, to pay the redemption price of the Bonds to be redeemed on such redemption date and any settlement payable by Buyer due to the corresponding amendment to the Buyer Swap and the Interest Rate Swap, and Buyer and Seller may simultaneously amend Exhibit D to reduce the Termination Payment for one or more such Months, but in each case only if Buyer and Seller have delivered to the Trustee:

(i) An executed counterpart of such amendment;

(ii) An executed counterpart of an amendment to the Power Supply Contract reducing the Contract Quantity to be sold and delivered thereunder in the same Months by the same quantities;

(iii) An executed counterpart of an amendment to the Buyer Swap reducing the notional amounts thereunder for the same Months by the same quantities;

(iv) An executed counterpart of an amendment to the Interest Rate Swap reducing the notional amounts thereunder in each subsequent Month by the amount by which the principal amount of the Bonds of the related series scheduled to remain outstanding in such Month will be reduced as a result of such redemption;

(v) The revised schedules and notices required by Section 2.01(c) of the Bond Indenture in connection with any related partial redemption;

(vi) An Accountant's Certificate (as defined in the Bond Indenture) to the effect that each of (A) the scheduled Termination Payments for this Agreement for each Month thereafter is equal to or exceeds the aggregate principal amount of and interest on the Bonds scheduled to remain outstanding at the beginning of such Month, assuming that the Bonds are redeemed in accordance with the Bond Indenture, less the scheduled balance of the Debt Service Fund (as defined in the Bond Indenture) at the end of such Month and (B) the expected cashflow to the Trust Estate (as defined in the Bond Indenture) is sufficient to meet the ongoing debt service for the Bonds scheduled to remain outstanding;

(vii) The accompanying Opinion of Bond Counsel (as defined in the Bond Indenture) required by Section 2.03(c) of the Bond Indenture for such redemption; and

(viii) A Rating Confirmation (as defined in the Bond Indenture) in respect of such amendments and redemption.

Section 18.4 Governing Law. THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PRINCIPLE THAT WOULD DIRECT THE APPLICATION OF ANOTHER JURISDICTION'S

LAW; *PROVIDED*, HOWEVER, THAT THE AUTHORITY OF BUYER TO ENTER INTO AND PERFORM ITS OBLIGATIONS UNDER THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 18.5 Non-Waiver. No waiver of any breach of any of the terms of this Agreement shall be effective unless such waiver is in writing and signed by the Party granting such waiver. No waiver of any breach shall be deemed a waiver of any other subsequent breach.

Section 18.6 Severability. If any provision of this Agreement, or the application thereof, shall for any reason be invalid or unenforceable, then to the extent of such invalidity or unenforceability, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the maximum extent permissible under applicable Law, so long as the economic and legal substance of the transactions contemplated hereby is not affected in any materially adverse manner as to either Party.

Section 18.7 Exhibits. Any and all Exhibits referenced in this Agreement are hereby incorporated herein by reference and shall be deemed to be an integral part hereof.

Section 18.8 Winding Up Arrangements. All indemnity and confidentiality obligations, audit rights, and other provisions specifically providing for survival shall survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall not relieve either Party of (a) any unfulfilled obligation or undischarged liability of such Party on the date of such termination or (b) the consequences of any breach or default of any warranty or covenant contained in this Agreement. All obligations and liabilities described in the preceding sentence of this Section 18.8, and applicable provisions of this Agreement creating or relating to such obligations and liabilities, shall survive such expiration or termination.

Section 18.9 Relationships of Parties. The Parties shall not be deemed to be in a relationship of partners or joint venturers by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other, except that Seller shall act on behalf of Buyer in remarketing Energy pursuant to Exhibit C. Neither Party shall have any authority to bind the other to any agreement. This Agreement is intended to secure and provide for the services of each Party as an independent contractor.

Section 18.10 Immunity. Buyer represents and covenants to and agrees with Seller that it is not entitled to and shall not assert the defense of sovereign immunity with respect to its obligations or any Claims under this Agreement.

Section 18.11 Rates and Indices.

(a) Commodity Reference Prices.

(i) Price Replacement Process for Energy. If a Daily Commodity Reference Price for Energy is not available for any Hour but such Daily Commodity Reference Price has not permanently ceased to be published, then the Parties shall promptly endeavor to agree on an alternative source for determination of such Daily Commodity Reference Price for the applicable Hours. If such agreement is not reached by the Parties

within three (3) Business Days, the Parties shall request quotations for the applicable Daily Commodity Reference Price from four (4) recognized dealers in the applicable commodity (two (2) selected by each Party) for the period that such Daily Commodity Reference Price is expected to be unavailable. If four (4) quotations are provided as requested, the applicable Daily Commodity Reference Price for the applicable Hours shall be the arithmetic mean of the quotations provided by each recognized dealer after disregarding the quotations having the highest and lowest values; *provided* that, if more than one (1) quotation has the same value, then one (1) of such quotations shall be disregarded. If exactly three (3) quotations are provided, the applicable Daily Commodity Reference Price for the applicable Hours shall be the quotation provided by the relevant dealer that remains after disregarding the quotations having the highest and lowest values; *provided* that, if more than one (1) quotation has the same value, then the value of the two (2) quotations with the same value shall control. If fewer than three (3) quotations are provided, the Parties shall seek additional quotations until at least three (3) have been received.

(ii) Price Replacement Process for Non-Published Index. If a Daily Commodity Reference Price is not available because it has permanently ceased to be published, then the Parties shall promptly endeavor to agree on an alternative source for determination of such Daily Commodity Reference Price, which may include agreeing upon a published index or a basket of published indices ("Daily Replacement Index") from which to seek quotes for basis differentials as the replacement for the applicable Daily Commodity Reference Price. If such agreement is not reached by the Parties within three (3) Business Days, then the Daily Replacement Index shall be selected by Seller, acting reasonably. The Parties shall request quotations from four (4) recognized dealers in the applicable commodity (two (2) selected by each Party) for a basis differential ("Daily Basis Differential") between the Daily Replacement Index and physical prices at the relevant Delivery Point for the remaining term of this Agreement. If four (4) quotations are provided as requested, the Daily Basis Differential will be the arithmetic mean of the quotations provided by each recognized dealer, after disregarding the quotations having the highest and lowest values; *provided* that, if more than one (1) quotation has the same value, then one (1) of such quotations shall be disregarded. If exactly three (3) quotations are provided, the Daily Basis Differential shall be the quotation provided by the relevant dealer that remains after disregarding the quotations having the highest and lowest values; *provided* that, if more than one (1) quotation has the same value, then the value of the two (2) quotations with the same value shall control. If fewer than three (3) quotations are provided, the Parties shall seek additional quotations until at least three (3) have been received. The applicable Daily Commodity Reference Price shall be the Daily Replacement Index plus the Daily Basis Differential calculated in accordance with the provisions of this clause (iii).

(b) Corrections. If a value published for any rate or index used or to be used in this Agreement is subsequently corrected and the correction is published or announced by the Person responsible for that publication or announcement within thirty (30) days after the original publication or announcement, either Party may notify the other Party of (i) that correction and (ii) the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Party that originally either received or retained such amount shall, not later than

three (3) Business Days after the effectiveness of that notice, pay, subject to any other applicable provisions of this Agreement, to the other Party that amount, together with interest on that amount at the Default Rate for the period from and including the day on which a payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction.

Section 18.12 Limitation of Liability. Notwithstanding anything to the contrary herein, all obligations of Buyer under this Agreement, including without limitation all obligations to make payments of any kind whatsoever, are special, limited obligations of Buyer payable solely from Trust Estate (as such term is defined in the Bond Indenture) as and to the extent provided in the Bond Indenture, including with respect to Operating Expenses (as such term is defined in the Bond Indenture). Buyer shall not be required to advance any moneys derived from any source other than the Revenues (as such term is defined in the Bond Indenture) and other assets pledged under the Bond Indenture for any of the purposes in this Agreement mentioned. Neither the faith and credit of Buyer nor the taxing power of the State of California or any political subdivision thereof is pledged to payments pursuant to this Agreement. Buyer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Agreement, except solely to the extent Revenues (as such term is defined in the Bond Indenture) are received for the payment thereof and may be applied therefor pursuant to the terms of the Bond Indenture.

Section 18.13 Counterparts. This Agreement may be executed and acknowledged in multiple counterparts and by the Parties in separate counterparts, each of which shall be an original and all of which shall be and constitute one and the same instrument.

Section 18.14 Rights of Trustee. Pursuant to the terms of the Bond Indenture, Buyer has irrevocably appointed the Trustee as its agent to issue notices (including Remarketing Notices, Call Option Notices, Put Option Notices and Repurchase Offers) and, as directed under the Bond Indenture, to take any other actions that Buyer is required or permitted to take under this Agreement. Seller may rely on notices or other actions taken by Buyer or the Trustee and Seller has the right to exclusively rely on any notices delivered by the Trustee that the Trustee is authorized to deliver under the Bond Indenture, regardless of any conflicting notices that it may receive from Buyer.

Section 18.15 Waiver of Defenses. Seller waives all rights to set-off, counterclaim, recoupment and any other defenses that might otherwise be available to Seller with regard to Seller's obligations pursuant to the terms of this Agreement.

Section 18.16 U.S. Resolution Stay. The Parties agree that (i) to the extent that prior to the date hereof the Parties hereto have adhered to the 2018 ISDA U.S. Resolution Stay Protocol (the "Protocol"), the terms of the Protocol are incorporated into and form a part of this Agreement, and for such purposes this Agreement shall be deemed a Protocol Covered Agreement and each Party shall be deemed to have the same status as Regulated Entity or Adhering Party as applicable to it under the Protocol; (ii) to the extent that prior to the date hereof the Parties have executed a separate agreement the effect of which is to amend the qualified financial contracts between them to conform with the requirements of the QFC Stay Rules (the "Bilateral

Agreement"), the terms of the Bilateral Agreement are incorporated into and form a part of this Agreement and for such purposes each Party shall be deemed to have the same status as "Covered Entity", "Counterparty Entity" or "Client Entity" (or other similar term) as applicable to it under the Bilateral Agreement; or (iii) if clause (i) and clause (ii) do not apply, the terms of Section 1 and Section 2 and the related defined terms (together, the "Bilateral Terms") of the form of bilateral template entitled "Full-Length Omnibus (for use between U.S. G-SIBs and Corporate Groups)" or the "Agency Version of Omnibus Agreement (for use with U.S. G-SIBs)", as applicable, published by ISDA on November 2, 2018 (currently available on the 2018 ISDA U.S. Resolution Stay Protocol page at www.isda.org), the effect of which is to amend the qualified financial contracts between the Parties thereto to conform with the requirements of the QFC Stay Rules, are hereby incorporated into and form a part of this Agreement, and for such purposes this Agreement shall be deemed a "Covered Agreement," Seller shall be deemed a "Covered Entity" and Buyer shall be deemed a "Counterparty Entity" (or "Client Entity" for the Agency version, as applicable). In the event that, after the date of this Agreement, the Parties hereto become adhering Parties to the Protocol, the terms of the Protocol will replace the terms of this section. In the event of any inconsistencies between this Agreement and the terms of the Protocol, the Bilateral Agreement or the Bilateral Terms (each, the "QFC Stay Terms"), as applicable, the QFC Stay Terms will govern. Terms used in this paragraph without definition shall have the meanings assigned to them under the QFC Stay Rules. For purposes of this paragraph, references to "this Agreement" include any related credit enhancements entered into between the Parties, directly or indirectly through an agent, or provided by one to the other. In addition, the Parties agree that the terms of this paragraph shall be incorporated into any related covered affiliate credit enhancements, as applicable, with all references to Seller replaced by references to the covered affiliate support provider.

"QFC Stay Rules" means the regulations codified at 12 C.F.R. 252.2, 252.81–8, 12 C.F.R. 382.1-7 and 12 C.F.R. 47.1-8, which, subject to limited exceptions, require an express recognition of the stay-and-transfer powers of the FDIC under the Federal Deposit Insurance Act and the Orderly Liquidation Authority under Title II of the Dodd Frank Wall Street Reform and Consumer Protection Act and the override of default rights related directly or indirectly to the entry of an affiliate into certain insolvency proceedings and any restrictions on the transfer of any covered affiliate credit enhancements.

Section 18.17 Rate Changes.

(a) Absent the agreement of the Parties to the proposed change, the standard of review for changes to any rate, charge, classification, term or condition of this Agreement, whether proposed by a Party (to the extent that any waiver in Section 18.17(b) below is unenforceable or ineffective as to such Party), a non-party or FERC acting *sua sponte*, shall solely be the "public interest" application of the "just and reasonable" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527 (2008).

(b) In addition, and notwithstanding Section 18.17(a), to the fullest extent permitted by applicable Law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under Section 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means,

directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable Law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable Law or market conditions that may occur. In the event it were to be determined that applicable Law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then this Section 18.17(b) shall not apply, *provided* that, consistent with Section 18.17(a), neither Party shall seek any such changes except solely under the "public interest" application of the "just and reasonable" standard of review and otherwise as set forth in Section 18.17(a).

IN WITNESS WHEREOF, the Parties have caused this Prepaid Energy Sales Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Separate Signature Page(s) Attached]

MORGAN STANLEY ENERGY STRUCTURING, L.L.C.

By: _____
Name: _____
Title: _____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT A-1
BASE ENERGY HOURLY QUANTITIES

[To be attached.]

EXHIBIT A-2
EPS ENERGY PERIOD ANNUAL QUANTITY AND MONTHLY PROJECTED QUANTITY

[To be attached.]

EXHIBIT B

NOTICES

IF TO SELLER:	Morgan Stanley Energy Structuring, L.L.C. 1585 Broadway New York, NY 10036-8293
Contract and Legal Notices:	Attn: Prepay Contacts 24 Hour Line: (914) 225-1500 Email: schedulers@morganstanley.com; natgas_schedulers@morganstanley.com; and CCCFA_2023e_mses_notices@morganstanley.com
Scheduling:	Attn: Scheduling Team 24 Hour Line: (914) 225-1500 Email: schedulers@morganstanley.com Attn: Scheduling Team
Payments/Invoicing/ Statements:	Attn: Manager, Energy Settlements Phone: (212) 762-3723 Fax: (914) 750-1434 Email: commodpsg@morganstanley.com
IF TO BUYER:	
General Notices:	California Community Choice Financing Authority 1125 Tamalpais Avenue San Rafael, CA 94901 Email:[_____]
Invoicing/Payments:	[_____]

EXHIBIT C

COMMODITY REMARKETING

Section 1. Defined Terms. Capitalized terms used but not otherwise defined in this Exhibit shall have the meanings given to such terms in this Agreement, unless otherwise indicated. The following terms, when used in this Exhibit C and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"Code" means the Internal Revenue Code of 1986, as amended.

"Energy Remarketing Reserve Fund" means an account established under the Bond Indenture into which Buyer shall deposit the amounts specified in Section 5(b) of this Exhibit C.

"Expired Non-Private Business Sales Ledger" has the meaning specified in Section 9(a) of this Exhibit C.

"Expired Private Business Sales Ledger" has the meaning specified in Section 9(a) of this Exhibit C.

"Ledger Entry" has the meaning specified in Section 7(d) of this Exhibit C.

"Minimum Remarketing Sales Price" is an amount determined for Energy by the following formula:

MRSP = RRPP - (RRPP x (RRF/CLB))

Where:

MRSP = The Minimum Remarketing Sales Price for one MWh

RRPP = The Remediation Remarketing Purchase Price for one MWh

RRF = The balance of the Energy Remarketing Reserve Fund

CLB = The combined cash balance of the Non-Private Business Sales Ledger and the Private Business Sales Ledger

"Monthly Discount" has the meaning specified in the Power Supply Contract.

"Monthly Remarketing Notice" has the meaning specified in Section 3(b) of this Exhibit C.

"Municipal Utility" means any Person that (a) (i) is a "governmental person" as defined in Treasury Regulation Section 1.141-1(b) and (ii) owns an electric distribution utility (or provides Energy at wholesale to entities described in clause (i) that own such utilities) or (b) is a community choice aggregator organized under the Laws of the State of California. Buyer may from time to time revise the definition of "Municipal Utility" to conform to the applicable provisions of the Code or Treasury Regulations by delivery of written notice to Seller setting forth the revised definition together with a Tax Opinion.

"Net Participant Price" means, with respect to the Project Participant, the Contract Index Price less the Monthly Discount.

"Non-Private Business Remarketing Proceeds" means all proceeds received by Buyer under Section 5 of this Exhibit C from Seller's remarketing of Energy in any Non-Private Business Sale.

"Non-Private Business Sale" means a sale (other than a Qualified Sale) of Energy to a "governmental person" as defined in Treasury Regulation Section 1.141-1(b) that in each case agrees in writing to not use any part of such Energy for a Private Business Use.

"Non-Private Business Sales Ledger" has the meaning specified in Section 7(a) of this Exhibit C.

"Non-Qualifying Remarketing Limit" means a quantity of Energy, in MWhs, equal to 10% of the total quantity of Energy, in MWhs, to be delivered hereunder, as such Non-Qualifying Remarketing Limit may be increased from time to time upon receipt by Buyer and Seller of a Tax Opinion setting forth a higher Non-Qualifying Remarketing Limit

"Private Business Remarketing Limit" means a quantity of Energy in MWhs equal to (a) $15,000,000, divided by (b) the Specified Fixed Price, as such Private Business Remarketing Limit may be increased from time to time upon receipt by Buyer and Seller of a Tax Opinion setting forth a higher Private Business Remarketing Limit.

"Private Business Remarketing Proceeds" means all proceeds received by Buyer under Section 5 of this Exhibit C from Seller's remarketing of Energy in any Private Business Sale (including the purchase of such Energy by Seller for its own account).

"Private Business Sale" means any sale of Energy other than in a Non-Private Business Sale or a Qualified Sale.

"Private Business Sales Ledger" has the meaning specified in Section 7(b) of this Exhibit C.

"Private Business Use" has the meaning ascribed to such term in Section 141 of the Code.

"Provisional Payment" has the meaning specified in Section 5(a) of this Exhibit C.

"Qualified Sale" means the sale of Energy to a Municipal Utility that agrees in writing (i) to use all of such Energy for a Qualifying Use that is not a Private Business Use and (ii) not to count any purchase of such Energy towards any remediation obligations such Municipal Utility may have with respect to proceeds received from the sale of property purchased with tax-exempt financing proceeds.

"Qualifying Use" with respect to Energy has the meaning ascribed to such term in Treasury Regulations Section 1.148-1(e)(2)(iii)(A)(2) or (B)(2), as applicable.

"Remarketing Fee" means the amount specified in Exhibit F of this Agreement.

"Remarketing Non-Default Termination Event" has the meaning specified in Section 9(c) of this Exhibit C.

"Remarketing Notice" means a Monthly Remarketing Notice.

"Remediation Remarketing" means the remarketing of Energy in Qualified Sales by Seller pursuant to Section 8 of this Exhibit C in an effort to reduce to zero (0) any Ledger Entry balances in either the Non-Private Business Sales Ledger or the Private Business Sales Ledger.

"Remediation Remarketing Purchase Price" has the meaning specified in Section 8(b)(ii) of this Exhibit C.

"Tax Opinion" means an Opinion of Bond Counsel (as defined in the Bond Indenture) to the effect that an action proposed to be taken is not prohibited by the Bond Indenture or the Laws of the United States and will not adversely affect the exclusion from gross income for U.S. federal income tax purposes of interest on any Bonds the interest on which is intended to be excluded from such gross income under Section 103(a) of the Code.

"Treasury Regulations" means the U.S. Treasury Regulations under the Code.

Section 2. Buyer's Right and Obligation to Request Remarketing. Buyer may, and, if required to do so under the Bond Indenture or the terms of this Agreement shall, request Seller to remarket, pursuant to this Exhibit C, all or a specified part of the Contract Quantities for any Delivery Point.

Section 3. Remarketing Notice.

(a) Generally. To request remarketing under this Exhibit C, Buyer must issue a Remarketing Notice, which Remarketing Notice must state as applicable (i) the portion of the Contract Quantity to be remarketed from each relevant Delivery Point, and (ii) the Delivery Hours in which such portion of the Contract Quantity is to be remarketed.

(b) Monthly Remarketing Notice. Buyer may designate a Remarketing Notice as a "Monthly Remarketing Notice" if the Remarketing Notice is delivered to Seller not later than three (3) Business Days prior to the start of the first Month in which it applies and applies to a period of one (1) Month or more; provided furthermore that, in the event Seller is obligated to remarket Base Energy under Section 3.4 of the Agreement, Buyer shall be deemed to have delivered a Monthly Remarketing Notice with respect thereto.

(c) Reserved.

Section 4. Seller's Remarketing Obligations Generally.

(a) All Energy remarketed by Seller pursuant to this Exhibit C shall be for the benefit of Buyer, meaning all remarketed Energy shall first be sold by Seller to Buyer and then resold by or for the account of Buyer pursuant to the terms and provisions of this Exhibit C.

(b) Seller may act directly as principal to the remarketing buyer or may cause a supplier to Seller to act directly as principal to the remarketing buyer. Neither Seller nor any Person acting on Seller's behalf shall owe any fiduciary duties to Buyer with respect to the remarketing of any Energy. Buyer acknowledges and agrees that Seller or a Person acting on Seller's behalf in remarketing Energy may have other supplies of Energy available to sell to potential remarketing buyers, and Energy designated for remarketing shall not be entitled to any preference over any such other supplies of Energy.

(c) Seller shall prepare, maintain and provide Monthly to Buyer accurate and complete records showing (i) the identity of each purchaser in a Qualified Sale, a Non-Private Business Sale, or a Private Business Sale undertaken by Seller on Buyer's behalf, (ii) the aggregate amount of Energy remarketed under this Agreement in Qualified Sales, (iii) the aggregate amount of Energy remarketed under this Agreement in Non-Private Business Sales, and (iv) the aggregate amount of Energy remarketed under this Agreement in Private Business Sales.

(d) Any amounts due to Buyer for Energy remarketed by Seller or purchased by Seller under this Exhibit C shall be remitted to Buyer pursuant to Section 14.2 of this Agreement in the Month following the Month in which such Energy is remarketed or purchased, as applicable. Additionally, the Parties acknowledge and agree that Seller's payment obligations under this Exhibit C shall be reduced to the extent that any Energy remarketed hereunder is negatively priced.

Section 5. Remarketing.

(a) Provisional Payments for and Remarketing of Assigned Product. Notwithstanding anything to the contrary herein, the following terms shall apply to under-deliveries of Assigned Product.

(i) To the extent that (A) the Annual Quantity has not been delivered for the then-current Contract Year as of the end of a Month and (B) the quantity of Assigned Product delivered in any such Month is less than the Monthly Projected Quantity, then Seller shall pay Buyer for any such Month the product of (I) the Monthly Projected Quantity, minus the quantity of Assigned Product actually delivered, multiplied by (II) (1) the Day-Ahead Market Price for the relevant Hourly intervals during the Initial EPS Energy Period and (2) the Day-Ahead Average Price during any EPS Energy Period subsequent to the Initial EPS Energy Period (any such payment, a "Provisional Payment"). Any Provisional Payments due from Seller to Buyer under this Section 5(a)(i) shall be paid to the Provisional Payments Account established under and defined in the Participant Custodial Agreement, and Seller shall have fully satisfied any Provisional Payment obligation upon payment of such amount in accordance with the Participant Custodial Agreement, regardless of whether the Participant Custodian complies with its obligations thereunder. In any Billing Statement that Seller delivers under Section 14.2(b) that reflects a Provisional Payment due, Seller shall indicate (x) the total amount of any Provisional Payment due for such Month and (y) the portion of such Provisional Payment that reflects the Net Participant Price that would otherwise be payable with respect thereto.

(ii) To the extent that a quantity of Assigned Product equal to or greater than the Annual Quantity are delivered for any Contract Year, any Provisional Payments made during such Contract Year shall not result in Ledger Entries under this Exhibit C.

(iii) To the extent that less than the Annual Quantity of Assigned Product is delivered for any Contract Year, then (I) Buyer shall be deemed to have requested for Seller to remarket a quantity of Assigned Product equal to the Annual Quantity minus the quantity of Assigned Product actually delivered during such Contract Year (such quantities, the "Remarketed Quantities"), provided that (x) the Remarketed Quantities shall be reduced by any Assigned Product not delivered due to Force Majeure and (y) any Provisional Payment attributable to Assigned Product not delivered due to Force Majeure shall be excluded from the calculations described below, and (II) Seller be deemed to have purchased such Remarketed Quantities for its own account at a price equal to the Average Provisional Price (as defined in Section 5(a)(iv) below). Any purchase by Seller of the Remarketed Quantities for its own account pursuant to this Section 5(a) shall constitute a Private Business Sale and shall be reflected on the Private Business Sales Ledger effective as of the first day of the Ledger Month (as defined below). Buyer shall notify Seller if and to the extent the proceeds from any such Private Business Sales are applied to amounts owed by the Project Participant pursuant to Section 7.5 of the Power Supply Contract, and, to the extent so applied, such proceeds shall remediate such Private Business Sales and be entered as debits on the Private Business Sales Ledger.

(iv) The following terms have the meaning specified below for the purpose of this Section 5(a).

"Average Provisional Price" means the sum of all Provisional Payment Allocation Amounts for such Contract Year.

"Ledger Month" means, for any Contract Year, the Month immediately following the last Month for which the Pro-Rated Monthly Quantity was fully delivered for such Contract Year. For example, if (x) a Contract Year is from January 1 to December 31, (y) the Annual Quantity is 120 MWhs and (z) 110 MWhs are delivered in a given Contract Year, then the resulting Ledger Entries would be entered on December 1 for such Contract Year. For another example, if (x) a Contract Year is from January 1 to December 31, (y) the Annual Quantity is 120 MWhs and (z) 85 MWhs are delivered in a given Contract Year, then the resulting Ledger Entries would be entered on September 1 for such Contract Year.

"Pro-Rated Monthly Quantity" means, for each Contract Year, the quantity attributable to each Month of such Contract Year if the Annual Quantity is divided into twelfths. For example, if the Annual Quantity is 120 MWhs, the Pro-Rated Monthly Quantity for each Month in a Contract Year is 10 MWhs – and, in such case, if (x) 110 MWhs are delivered in a given Contract Year, the Pro-Rated Monthly Quantity would be fully delivered for 11 of the 12 Months in such Contract Year; and (y) if 85 MWhs are delivered in a given Contract Year, the Pro-Rate Monthly

Quantity would be fully delivered for 8 of the 12 Months in such Contract Year.

"Provisional Payment Allocation Amount" means, for each Provisional Payment in a Contract Year, an amount (in $/MWh) determined by multiplying the Weight for such Provisional Payment by the price used to calculate such Provisional Payment.

"Weight" means an amount (in $/MWh) determined for each Provisional Payment in a Contract Year by dividing the sum of all Provisional Payments for such Contract Year by the amount of each such Provisional Payment.

(b) Remarketing of Base Energy. The following provisions shall apply to the remarketing of Base Energy by Seller:

(i) Seller shall use Commercially Reasonable Efforts to remarket or cause to be remarketed all Base Energy specified for remarketing. In exercising such Commercially Reasonable Efforts, Seller shall first attempt to remarket or cause to be remarketed all Energy specified in a Remarketing Notice in Qualified Sales and then, if Seller is unable to so remarket all of such Energy for such purposes, in Non-Private Business Sales. If Seller is unable to remarket all or any portion of the Energy designated in a Remarketing Notice, then Seller shall purchase such Energy for its own account at the prices set forth in Section 5(b)(v) of this Exhibit C as if such Energy had been remarketed to it.

(ii) Seller shall not be required to remarket any Base Energy at a net price to Seller (after deducting all transportation and transmission costs and all other costs) that is anticipated to be less than the Day-Ahead Market Price applicable to such Energy in the case of a Monthly Remarketing Notice.

(iii) Notwithstanding the foregoing or anything to the contrary herein, provided that (A) the Project Participant is not in default under its Power Supply Contract, (B) such Project Participant has exercised Commercially Reasonable Efforts (as determined by Special Tax Counsel (as defined in the Bond Indenture)) to obtain EPS Compliant Energy for delivery hereunder consistent with the Assignment Letter Agreement and (C) Seller is remarketing such Project Participant's portion of the Contract Quantity because an EPS Energy Period is not in effect, then:

A. Seller shall purchase Energy for its own account and shall pay Buyer the product of (A) the quantity of such Energy purchased for its own account and (B) the Day-Ahead Market Price;

B. Proceeds received by Buyer under this Section 5(b)(iii) that exceed the amount Buyer would have received for the same quantity of Energy at the Net Participant Price shall be deposited in the Participant Rebate Account (as defined in the Bond Indenture) of the Energy Remarketing Reserve Fund;

C. the Project Participant shall be required under Section 7.5 of the Power Supply Contract to exercise Commercially Reasonable Efforts to purchase Energy for a Qualifying Use to remediate any Ledger Entry resulting from Seller's purchase of Energy; and

D. if any Ledger Entry has not been reversed within twelve Months of the date of any such Ledger Entry, Seller thereafter shall exercise Commercially Reasonable Efforts to remediate any such Ledger Entry by making a Qualified Sale to the Project Participant or any other Municipal Utility;

provided that, to the extent Special Tax Counsel (as defined in the Bond Indenture) determines at any time the Project Participant has failed to exercise Commercially Reasonable Efforts to obtain EPS Compliant Energy for delivery hereunder consistent with the applicable Assignment Letter Agreement, the provisions of this Section 5(b)(iii) shall not apply and any Ledger Entries resulting from Seller's remarketing of Base Energy in such case may not be remediated by Project Participant.

(iv) Proceeds from Qualified Sales and Non-Private Business Sales.

A. For any Energy specified in a Monthly Remarketing Notice that Seller remarkets in a Qualified Sale or Non-Private Business Sale, Seller shall deliver to Buyer the actual proceeds less the Remarketing Fee per MWh sold, *provided* that the aggregate amount delivered by Seller under this clause (A) for any Month shall not be less than the aggregate quantity so remarketed during such Month multiplied by the Net Participant Price.

B. Reserved.

C. In the event the payment due date under a Qualified Sale or Non-Private Business Sale has not yet occurred prior to the date upon which payment is due under this Agreement for the applicable Month, the Parties shall nonetheless issue statements as if the full amount from such Qualified Sale or Non-Private Business Sale had been paid and, if such full payment is not received prior to the next Monthly due date under this Agreement, the Parties shall issue the appropriate statements to reflect the actual proceeds received and true-up any difference.

(v) Proceeds from Private Business Sales.

A. For any Energy specified in a Monthly Remarketing Notice that is not remarketed in a Qualified Sale or Non-Private Business Sale, Seller shall pay to Buyer the positive result determined by the following formula with respect to each Delivery Point to which such Monthly Remarketing Notice applied, provided that the aggregate amount delivered by Seller under this clause (A) for any Month shall not be less than the aggregate quantity so remarketed during such Month multiplied by the Net Participant Price:

P = Q x (IP - RF)

Where:

P = The amount payable by Seller under this Section 5(b)(v)(A)

Q = The quantity of such Energy remarketed with respect to such Delivery Point

IP = The Contract Index Price for such Delivery Point

RF = The Remarketing Fee

B. Reserved.

(vi) Energy Remarketing Reserve Fund. Any proceeds received by Buyer under this Section 5 for Energy remarketed in sales other than Qualified Sales that exceed the amount Buyer would have received for the same quantity of Energy at the Net Participant Price shall be deposited in the Energy Remarketing Reserve Fund.

Section 6. Reserved.

Section 7. Tracking Remarketing Proceeds. Seller shall maintain four (4) separate ledgers related to remarketing proceeds as described below:

(a) One (1) ledger (the "Non-Private Business Sales Ledger") shall include, (A) as dollar credits, the Non-Private Business Remarketing Proceeds, and (B) as a MWh credit, the MWhs corresponding to such Non-Private Business Remarketing Proceeds.

(b) Another ledger (the "Private Business Sales Ledger") shall include, (A) as dollar credits, Private Business Remarketing Proceeds, and (B) as a MWh credit, the MWhs corresponding to such Private Business Remarketing Proceeds.

(c) The other two (2) ledgers shall be maintained as described in Section 9(a) of this Exhibit C.

(d) The credits to be recorded in the ledgers described in Section 7(a) and (b) of this Exhibit C (collectively, the "Ledger Entries") shall be dated as of the first day of the Month prior to the Month in which Buyer or Project Participant receives the proceeds corresponding to such Ledger Entries.

(e) The four (4) ledgers described in this Section 7 of this Exhibit C and all debits and credits to such ledgers shall be kept on an aggregate basis for purposes of this Exhibit C.

Section 8. Remediation Remarketing and Bond Redemptions. At any time that the net Ledger Entry balance of either the Non-Private Business Sales Ledger or the Private Business Sales Ledger is greater than zero (0):

(a) Buyer shall exercise Commercially Reasonable Efforts to utilize the proceeds represented by the dollar balances of such Ledger Entries to purchase Energy for resale in Qualified Sales and shall promptly notify Seller following such purchase and sale.

(b) Seller shall exercise Commercially Reasonable Efforts to locate opportunities for Buyer to purchase Energy to sell in Qualified Sales to remediate the proceeds represented by the dollar balances of the Ledger Entries. In this regard, if Seller locates a Remediation Remarketing opportunity, then

(i) Seller shall notify Buyer of such opportunity;

(ii) Buyer shall, upon receipt of such notice, purchase Energy from Seller at a price determined by Seller in a Commercially Reasonable manner based upon applicable market prices at the location where the remarketing opportunity sale will occur (the "Remediation Remarketing Purchase Price");

(iii) Seller shall remarket such Energy on Buyer's behalf in a Qualified Sale;

(iv) Seller shall remit to Buyer the proceeds collected from such Qualified Sale, but in no event shall Seller remit less than the Minimum Remarketing Sales Price for the remarketing transaction; *provided*, however, that to the extent Seller does not receive the Remediation Remarketing Purchase Price from Buyer prior to the Remediation Remarketing described herein, Seller shall credit the proceeds collected from such remarketing sale against the Remediation Remarketing Purchase Price owed to Seller, and Seller shall be reimbursed from the Energy Remarketing Reserve Fund to the extent necessary to make Seller whole for such Qualified Sale; and

(v) Seller shall issue to Buyer a confirmation notice (including the dollar price and MWhs) of each purchase of Energy by or on behalf of Buyer, and each sale of Energy on Buyer's behalf, under this Section 8, and amounts due from or to Buyer shall be separately stated on the Billing Statement for the Month in which such remarketing transactions occur.

For the avoidance of doubt, Seller shall not sell, nor be required to sell, Energy to Buyer for a Remediation Remarketing if such Energy is to be remarketed by Seller on behalf of Buyer for less than the Minimum Remarketing Sales Price.

(c) Unless the terms of a Remediation Remarketing undertaken by Seller on Buyer's behalf are specifically assumed by Buyer, Seller shall indemnify Buyer for any costs or liabilities associated with such Remediation Remarketing (other than costs related to the price at which such Energy is sold and the risk of collecting the sale proceeds from the remarketing buyer), including, without limitation, any cover or replacement costs; termination payments; fees, penalties, costs or charges (in cash or in kind) assessed by any Transmission Provider for failure to satisfy its balance or nomination requirements; Claims for breach of warranty; taxes, fees, levies, penalties, licenses or charges imposed by any Government Agency; and Claims from personal injury or property damages.

(d) The total purchase price of any Energy purchased by Buyer or Seller pursuant to Section 8(b) of this Exhibit C will be entered by Seller as a dollar debit on (i) first, the Private Business Sales Ledger, if and to the extent such ledger has a positive balance and such Energy is remarketed in a Qualified Sale and (ii) second, on the Non-Private Business Sales Ledger, if and to the extent such ledger has a positive balance, the Private Business Sales Ledger has a zero (0) balance, and such Energy is remarketed in a Qualified Sale, with such debit in the case of (i) or (ii) dated as of the last day of the Month in which such Energy was purchased. Each dollar debit shall offset and reverse an equal amount of the dollar credits to such ledger (that have not previously been transferred to the Expired Non-Private Business Sales Ledger or the Expired Private Business Sales Ledger) in the order in which they were made (beginning with the oldest credit not previously offset and reversed by any prior debit). Whenever a debit is made to the dollar balance of the Ledger Entries of either such ledger, Seller shall also debit the Energy balance of the Ledger Entries of such ledger based on (i) such dollar debit divided by (ii) an average Energy price calculated from the net Ledger Entry then present on the relevant ledger being debited. For the avoidance of doubt, neither the Non-Private Business Sales Ledger nor the Private Business Sales Ledger shall ever have a negative balance, and the same purchase transaction shall not result in a debit to more than one ledger except to the extent that a debit for the transaction causes one (1) ledger to have a zero (0) balance and the remaining portion of the permitted debit is made to the other ledger.

(e) In addition to the ability of Seller or Buyer to engage in Remediation Remarketing to reduce the balances of any Ledger Entries through Qualified Sales of Energy, the proceeds represented by the dollar balances of such Ledger Entries may also be remediated through the purchase of natural gas that will be remarketed in Qualified Sales. For the purposes of entering MMBtu debits for natural gas to the Ledger Entries in accordance with Section 8(d) of this Exhibit C for any Remediation Remarketing of natural gas, a quantity of MWhs will be debited based on (i) the total proceeds paid for such natural gas divided by (ii) an average Energy price calculated from the net Ledger Entry then present on the relevant ledger being debited.

Section 9. Remarketing Non-Default Termination Event.

(a) In addition to the Non-Private Business Sales Ledger and the Private Business Sales Ledger described in Section 7(a) and (b) of this Exhibit C, above, Seller shall also maintain an "Expired Non-Private Business Sales Ledger" and an "Expired Private Business Sales Ledger." Whenever a credit to the dollar balance of the Ledger Entries of the Non-Private Business Sales Ledger has not been reversed in full within two (2) years of such credit by an offsetting dollar debit in accordance with Section 8(d) or (e) of this Exhibit C, then Seller shall (i) debit the remaining portion of such dollar credit and the MWh balance of the Ledger Entries in the manner described in the penultimate sentence of Section 8(d) and (ii) record such debits as credits to the Expired Non-Private Business Sales Ledger. Similarly, whenever a credit to the dollar balance of the Ledger Entries of the Private Business Sales Ledger has not been reversed in full within two (2) years of such credit by an offsetting dollar debit in accordance with Section 8(d) or (e) of this Exhibit C, then Seller shall (i) debit the remaining portion of such dollar credit and the MWh balance of the Ledger Entries in the manner described in the penultimate sentence of Section 8(d) and (ii) record such debits as credits to the Expired Private Business Sales Ledger. Pursuant to Section 18.3(b) of this Agreement, upon any partial redemption of Bonds in accordance with the Bond Indenture, the dollar credits made to either the Expired Non-Private Business Sales Ledger

or the Expired Private Business Sales Ledger shall be reduced (in the order of entry) by an aggregate amount corresponding to the principal amount of Bonds so redeemed, and the MWh credits to such ledgers shall be reduced by the contemporaneous MWh credits corresponding to the dollar credits so reduced.

(b) No later than the tenth (10^{th}) day of each Month, Seller shall provide to Buyer copies of the Non-Private Business Sales Ledger, the Private Business Sales Ledger, the Expired Non-Private Business Sales Ledger and the Expired Private Business Sales Ledger showing all credits and debits to each such ledger since the Execution Date.

(c) A "Remarketing Non-Default Termination Event" shall occur if, upon delivery of a ledger statement under Section 9(b) above, either (i) (A) the sum of all Btu credits on the Expired Non-Private Business Sales Ledger and the Expired Private Business Sales Ledger exceeds (B) the Non-Qualifying Remarketing Limit, or (ii) (A) the sum of all Btu credits on the Expired Private Business Sales Ledger exceeds (B) the Private Business Remarketing Limit.

(d) The occurrence of a Remarketing Non-Default Termination Event and any remedies associated therewith in Article XVII of this Agreement shall be Buyer's sole and exclusive remedies with respect to any inability by Seller to purchase and remarket Energy for Buyer pursuant to, or any breach by Seller of its obligations under, this Exhibit C.

Section 10. Buyer Right to Request to Purchase Remarketed Energy. Notwithstanding any other provision of this Exhibit C, Buyer may request in a Remarketing Notice delivered to Seller that Buyer be the remarketing buyer of the quantities of Energy described in such Remarketing Notice, in which case Seller will sell such remarketed Energy to Buyer at a price, at Delivery Point(s) and on date(s) to be mutually agreed (but the price, with respect to Energy remarketed pursuant to a Monthly Remarketing Notice, shall in no event be less than the Contract Index Price less the Monthly Discount) by the Parties, provided that Seller shall be obligated to remarket such Energy to Buyer only if all of the following conditions are satisfied:

(a) Buyer is not in default under any Transaction Document;

(b) Buyer has certified to Seller in the Remarketing Notice that the condition in (a) above is true;

(c) Buyer has provided such adequate assurances of Buyer's performance, if any, as may have been reasonably requested by Seller;

(d) there is a master agreement in effect between Buyer and Seller that will govern the remarketing transaction between Buyer and Seller; and

(e) Buyer covenants to resell the Energy only in Qualified Sales.

EXHIBIT D

TERMINATION PAYMENT SCHEDULE

The Termination Payment for any Early Termination Payment Date will be the amount set forth on the attached table in the column corresponding to the month in which the Early Termination Date occurs, plus the product of (a) the Monthly Projected Quantity for such Month and the Hourly Quantities for such Month, as applicable, minus the quantity of Energy delivered in such Month prior to the effectiveness of such Early Termination Date, multiplied by (b) the result of (i) the applicable Fixed Price for Energy (as defined in the Buyer Swap), minus (ii) the Specified Discount then in effect.

[To be attached.]

EXHIBIT D-1

TERMINATION PAYMENT ADJUSTMENT SCHEDULE

(To be attached pursuant to Section 17.8 as required.)

EXHIBIT E

FORM OF MORGAN STANLEY GUARANTEE

Morgan Stanley

1585 BROADWAY

NEW YORK, NY 10036-8293

[DATE]

To: California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, CA 94901

Ladies and Gentlemen:

In consideration of California Community Choice Financing Authority (hereinafter "Counterparty") having entered into or entering into (i) that certain Prepaid Energy Sales Agreement, dated as of [____], 2023, with Morgan Stanley Energy Structuring, L.L.C. (hereinafter "Obligor") (the "Prepaid Agreement") and (ii) that ISDA Master Agreement, dated as of [____], 2023, the Schedule, dated as of [____], 2023, and Confirmation, dated as of [____], 2023, with Obligor (together with the Prepaid Agreement, the "Agreements"), Morgan Stanley, a Delaware corporation (hereinafter "Guarantor"), hereby irrevocably and unconditionally guarantees to Counterparty, with effect from the date of the Agreements, the due and punctual payment of all amounts payable by Obligor under the Agreements when the same shall become due and payable, whether on scheduled payment dates, upon demand, upon declaration of termination or otherwise, in accordance with, and subject to, the terms of the Agreements and giving effect to any applicable grace period. Upon failure of Obligor punctually to pay any such amounts, and upon written demand by Counterparty to Guarantor at its address set forth in the signature block of this guarantee (the "Guarantee") (or to such other address as Guarantor may specify in writing), Guarantor agrees to pay or cause to be paid such amounts owed by Obligor; *provided* that delay by Counterparty in giving such demand shall in no event affect Guarantor's obligations under this Guarantee; *provided further* that any payment made by Guarantor hereunder will be made directly to The Bank of New York Mellon Trust Company, N.A., as trustee under the Bond Indenture (as defined in the Prepaid Agreement), or to any successor trustee under the Bond Indenture and that such payment shall be deemed to be a payment to Counterparty hereunder. This Guarantee is of payment and not of collection.

Guarantor hereby agrees that its obligations hereunder shall be continuing and unconditional and will not be discharged except by complete payment of the amounts payable under the Agreements, irrespective of (1) any claim as to the Agreements' validity, regularity or enforceability or the lack of authority of Obligor to execute or deliver the Agreements; or (2) any change in or amendment

to the Agreements; or (3) any waiver or consent by Counterparty with respect to any provisions thereof; or (4) the absence or existence of any action to enforce the Agreements, or the recovery of any judgment against Obligor or of any action to enforce a judgment against Obligor under the Agreements; or (5) the dissolution, winding up, liquidation or insolvency of Obligor, including any discharge of obligations therefrom; or (6) any similar circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor generally.

Guarantor hereby waives diligence, presentment, demand on Obligor for payment or otherwise (except as provided hereinabove), filing of claims, requirement of a prior proceeding against Obligor and protest or notice, except as provided for in the Agreements with respect to amounts payable by Obligor. If at any time payment under the Agreements is rescinded or must be otherwise restored or returned by Counterparty upon the insolvency, bankruptcy or reorganization of Obligor or Guarantor or otherwise, Guarantor's obligations hereunder with respect to such payment shall be reinstated upon such restoration or return being made by Counterparty.

Guarantor represents to Counterparty, as of the date hereof, that:

1. it is duly organized and validly existing under the laws of the jurisdiction of its incorporation and has full power and legal right to execute and deliver this Guarantee and to perform the provisions of this Guarantee on its part to be performed;

2. its execution, delivery and performance of this Guarantee has been and remains duly authorized by all necessary corporate action and does not contravene any provision of its certificate of incorporation or by-laws or any law, regulation or contractual restriction binding on it or its assets;

3. all consents, authorizations, approvals and clearances (including, without limitation, any necessary exchange control approval) and notifications, reports and registrations requisite for its due execution, delivery and performance of this Guarantee have been obtained from or, as the case may be, filed with the relevant governmental authorities having jurisdiction and remain in full force and effect and all conditions thereof have been duly complied with and no other action by, and no notice to or filing with, any governmental authority having jurisdiction is required for such execution, delivery or performance; and

4. this Guarantee is its legal, valid and binding obligation enforceable against it in accordance with its terms except as enforcement hereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' right or by general equity principles.

Each of the provisions contained in this Guarantee shall be severable and distinct from one another and if one or more of such provisions are now or hereafter becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Guarantee shall not in any way be affected, prejudiced or impaired thereby.

By accepting this Guarantee and executing the Agreements, Counterparty agrees that Guarantor shall be subrogated to all rights of Counterparty against Obligor in respect of any amounts paid by Guarantor pursuant to this Guarantee, *provided* that Guarantor shall be entitled to enforce or to

receive any payment arising out of or based upon such right of subrogation only to the extent that it has paid all amounts payable by Obligor under the Agreements.

This Guarantee shall expire or terminate, as applicable, on the earliest of (i) [____] (ii) the earlier termination of the Prepaid Agreement and (iii) the last day of any Reset Period (as defined in the Prepaid Agreement) if Guarantor (A) has delivered to Counterparty a termination notice of this Guarantee, and (B) no assignment has been effected pursuant to clause (c) of Article XIII of the Prepaid Agreement prior to the end of the Reset Period during which such termination notice was delivered. Such expiration or termination shall not, however, affect or reduce Guarantor's obligation hereunder for any liability of Obligor with respect to obligations and liabilities incurred prior to such expiration or termination.

This Guarantee shall be governed by and construed in accordance with the laws of the State of New York, without reference to its choice of law doctrine. All capitalized terms not otherwise defined herein shall have the respective meanings assigned to them in the Agreements.

MORGAN STANLEY

By:

Name:
Title:
Address: 1585 Broadway
New York, NY 10036
Attn: Treasurer
Fax No.: 212-762-0337
Phone: 212-761-4000

EXHIBIT F

PRICING AND OTHER TERMS

Delivery Period:	The period beginning on [____] and ending on [____] or earlier upon the Early Termination Date
Minimum Discount:	$[____]/MWh for each Reset Period after the Initial Reset Period (as defined in the Re-Pricing Agreement)
Monthly Discount:	$[____]/MWh during the Initial Reset Period (as defined in the Re-Pricing Agreement), and for each Month of a Reset Period thereafter, the Monthly Discount portion of the Available Discount for such Reset Period determined by the Calculation Agent (as defined in the Bond Indenture) pursuant to the Re-Pricing Agreement
Prepayment:	$[____]
Prepayment Outside Date:	[____], 2023
Remarketing Fee:	$0.[__]/MWh for any Energy remarketed pursuant to a Monthly Remarketing Notice
Specified Fixed Price:	$[____]/MWh
Specified Discount:	For Energy delivered [____] – [____]: $[____]/MWh For Energy delivered from [____] until the end of the Delivery Period: to be the Available Discount (as defined in the Re-Pricing Agreement) for such Reset Period
ESR Fee:	$[____]/MWh
Swap Fee:	$[____]/MWh

EXHIBIT G

RECEIVABLES PURCHASES

[To be attached.]

TRUST INDENTURE

Between

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Trustee

$[_____]
Clean Energy Project Revenue Bonds
Series 2023[__]-1 (Green Bonds) (Term Rate)
and
Series 2023[__]-2 (Green Bonds) (SOFR Index Rate)

Dated as of [_____], 2023

TABLE OF CONTENTS

PAGE

ARTICLE I DEFINITIONS AND GOVERNING LAW 3

Section 1.01. Definitions 3
Section 1.02. Captions 29
Section 1.03. Rules of Construction 29
Section 1.04. Governing Law 29
Section 1.05. Consents 29

ARTICLE II AUTHORIZATION AND ISSUANCE OF BONDS 29

Section 2.01. Authorization of Bonds and Refunding Bonds; Application of Proceeds 29
Section 2.02. Terms of Series 2023[_] Bonds; Payment 30
Section 2.03. Conditions for Issuance of Bonds 32
Section 2.04. Initial Interest Rate Period; Subsequent Interest Rate Periods 33
Section 2.05. Daily Interest Rate Period 34
Section 2.06. Weekly Interest Rate Period 35
Section 2.07. Term Rate Period 36
Section 2.08. Commercial Paper Interest Rate Periods 39
Section 2.09. Index Rate Periods 41
Section 2.10. Notice of Conversion 43
Section 2.11. Liquidity Facility 44
Section 2.12. Provisions Regarding Commodity Swap 44
Section 2.13. Provisions Regarding Interest Rate Swap 46
Section 2.14. CPI Index Rate Periods 47

ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS 50

Section 3.01. Medium of Payment; Form and Date; Letters and Numbers 50
Section 3.02. Legends 50
Section 3.03. Execution and Authentication 50
Section 3.04. Exchange, Transfer and Registry 52
Section 3.05. Regulations With Respect to Exchanges and Registration of Transfers 52
Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost 53
Section 3.07. Temporary Bonds 53
Section 3.08. Payment of Interest on Bonds; Interest Rights Preserved 54
Section 3.09. Book Entry System; Appointment of Securities Depository 54
Section 3.10. Subsidy Payments 56
Section 3.11. Limitation of Liability of the Issuer 56

ARTICLE IV REDEMPTION OF BONDS AND TENDER PROVISIONS 57

Section 4.01. Extraordinary Redemption 57
Section 4.02. Sinking Fund Redemption 57

Section 4.03. Optional Redemption 59
Section 4.04. Redemption Notice 61
Section 4.05. Bonds Redeemed in Part 62
Section 4.06. Redemption at the Election or Direction of the Issuer 62
Section 4.07. Redemption Other Than at the Issuer's Election or Direction 63
Section 4.08. Selection of Bonds To Be Redeemed 63
Section 4.09. Payment of Redeemed Bonds 63
Section 4.10. Cancellation and Destruction of Bonds 64
Section 4.11. Optional Tender During Daily or Weekly Interest Rate Periods 64
Section 4.12. Mandatory Tender for Purchase on Day Next Succeeding the Last Day of Each CP Interest Term 64
Section 4.13. Mandatory Tender for Purchase on the Mandatory Purchase Date, Index Rate Tender Date or Term Rate Tender Date 65
Section 4.14. Mandatory Tender for Purchase on Conversion of Interest Rate Period 65
Section 4.15. General Provisions Relating to Tenders 65
Section 4.16. Notice of Mandatory Tender for Purchase 68
Section 4.17. Irrevocable Notice Deemed to Be Tender of Bond; Undelivered Bonds Deemed Purchased on Mandatory Purchase Date 69
Section 4.18. Remarketing of Bonds; Notice of Interest Rates 69
Section 4.19. The Remarketing Agent 70
Section 4.20. Qualifications of Remarketing Agent; Resignation; Removal 70
Section 4.21. Successor Remarketing Agents 70
Section 4.22. Tender Agent 71

ARTICLE V ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF 71

Section 5.01. Pledge Effected by This Indenture 71
Section 5.02. Establishment of Funds and Accounts 72
Section 5.03. Project Fund 73
Section 5.04. Revenues and Revenue Fund; Other Amounts 74
Section 5.05. Payments from Revenue Fund 75
Section 5.06. Operating Fund 76
Section 5.07. Debt Service Fund—Debt Service Account 76
Section 5.08. Debt Service Fund–Redemption Account 79
Section 5.09. Commodity Swap Payment Fund 79
Section 5.10. General Reserve Fund 79
Section 5.11. Energy Remarketing Reserve Fund 80
Section 5.12. Assignment Payment Fund 81
Section 5.13. Purchases of Bonds 81
Section 5.14. Administrative Fee Fund 81

ARTICLE VI DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS 81

Section 6.01. Depositories 81
Section 6.02. Deposits 82

Section 6.03. Investment of Certain Funds 83
Section 6.04. Valuation and Sale of Investments 84

ARTICLE VII PARTICULAR COVENANTS OF THE ISSUER 85

Section 7.01. Payment of Bonds 85
Section 7.02. Extension of Payment of Bonds 85
Section 7.03. Offices for Servicing Bonds 85
Section 7.04. Further Assurance 86
Section 7.05. Power To Issue Bonds and Pledge the Trust Estate 86
Section 7.06. Power To Fix and Collect Fees and Charges for the Sale of Energy 86
Section 7.07. Creation of Liens 86
Section 7.08. [Reserved] 87
Section 7.09. Limitations on Operating Expenses and Other Costs 87
Section 7.10. Amendments to Power Supply Contracts 87
Section 7.11. Power Supply Contracts; Energy Remarketing 88
Section 7.12. Energy Purchase Agreement; Energy Supplier Guaranty 89
Section 7.13. [Reserved] 89
Section 7.14. Commodity Swap 89
Section 7.15. Interest Rate Swap 89
Section 7.16. Accounts and Reports 90
Section 7.17. Payment of Taxes and Charges 90
Section 7.18. Tax Covenants 91
Section 7.19. General 91
Section 7.20. Bankruptcy 92
Section 7.21. [Reserved] 92
Section 7.22. Replacement of Energy Supplier Guaranty 92
Section 7.23. Avoidance of Failed Remarketing 92

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES 93

Section 8.01. Events of Default 93
Section 8.02. Accounting and Examination of Records After Default 94
Section 8.03. Enforcement of Agreements; Application of Moneys after Default 94
Section 8.04. Appointment of Receiver 96
Section 8.05. Proceedings Brought by Trustee 96
Section 8.06. Restriction on Bondholder's Action 96
Section 8.07. Remedies Not Exclusive 97
Section 8.08. Effect of Waiver and Other Circumstances 97
Section 8.09. Notice of Default 97

ARTICLE IX CONCERNING THE FIDUCIARIES 98

Section 9.01. Acceptance by Trustee of Duties 98
Section 9.02. Paying Agents; Appointment and Acceptance of Duties 98
Section 9.03. Responsibilities of Fiduciaries 98
Section 9.04. Evidence on Which Fiduciaries May Act 99

Section 9.05. Compensation 100
Section 9.06. Certain Permitted Acts 100
Section 9.07. Resignation of Trustee 101
Section 9.08. Removal of the Trustee 101
Section 9.09. Appointment of Successor Trustee 101
Section 9.10. Transfer of Rights and Property to Successor Trustee 102
Section 9.11. Merger or Consolidation 102
Section 9.12. Adoption of Authentication 102
Section 9.13. Resignation or Removal of Paying Agent and Appointment of Successor 102
Section 9.14. Trustee's Reliance 103
Section 9.15. Trustee's Liability 103
Section 9.16. Trustee's Agents or Attorneys 105
Section 9.17. Notice of Lien Filings 105

ARTICLE X SUPPLEMENTAL INDENTURES 105

Section 10.01. Supplemental Indentures Not Requiring Consent of Bondholders 105
Section 10.02. Supplemental Indentures Effective With Consent of Bondholders 107
Section 10.03. General Provisions 107

ARTICLE XI AMENDMENTS 108

Section 11.01. Mailing 108
Section 11.02. Powers of Amendment 108
Section 11.03. Consent of Bondholders 109
Section 11.04. Notifications by Unanimous Consent 110
Section 11.05. Exclusion of Bonds 110
Section 11.06. Notation on Bonds 110

ARTICLE XII MISCELLANEOUS 111

Section 12.01. Defeasance 111
Section 12.02. Evidence of Signatures of Bondholders and Ownership of Bonds 114
Section 12.03. Moneys Held for Particular Bonds 115
Section 12.04. Preservation and Inspection of Documents 115
Section 12.05. Parties Interested Herein 115
Section 12.06. No Recourse on the Bonds; Non-Liability of the Issuer 115
Section 12.07. Publication of Notice; Suspension of Publication 115
Section 12.08. Severability of Invalid Provisions 116
Section 12.09. Holidays 116
Section 12.10. Notices 116
Section 12.11. Notices to Rating Agencies 117
Section 12.12. Counterparts 117
Section 12.13. Waiver of Jury Trial 118
Section 12.14. Electronic Signatures 118

Exhibit A — Form of Bonds
Exhibit B — Form of Index Rate Determination Certificate
Exhibit C — Form of Written Direction and Redemption Notice
Exhibit D — Form of Index Rate Continuation Notice

Schedule I — Initial Project Participant
Schedule II — Scheduled Debt Service Deposits
Schedule III — Terms of Commodity Swaps
Schedule IV — Amortized Value of Series 2023[__]-1 Bonds

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of [_____], 2023 (this "*Indenture*"), is by and between California Community Choice Financing Authority, a joint powers authority and public entity of the State of California (the "*Issuer*") and The Bank of New York Mellon Trust Company, N.A., a national banking association organized and existing under the laws of the United States and authorized to accept and execute trusts of the character herein, as trustee (the "*Trustee*").

W I T N E S E T H:

WHEREAS, pursuant to the provisions of the Act (capitalized terms used herein and not otherwise defined shall have the meanings given such terms in Section 1.01 hereof), Central Coast Community Energy, East Bay Community Energy Authority, Marin Clean Energy, and Silicon Valley Clean Energy Authority entered into a joint powers agreement pursuant to which the Issuer was organized and established for the purpose, among other things, of entering into contracts for electricity and energy services and agreements for services to facilitate the sale and purchase of electricity and other related services, and for issuing bonds to assist the Members (as defined herein) in financing such contracts, agreements, purchases, sales and services; and

WHEREAS, the Issuer is authorized under the Act to acquire electricity and energy services and enter into agreements for services to facilitate the sale and purchase of electricity and other related services, and to issue revenue bonds to finance the cost of acquisition of such electricity and energy services and other agreements, and is vested with all powers necessary to accomplish the purposes for which it was created; and

WHEREAS, the Issuer has determined to finance the Cost of Acquisition of the Clean Energy Project through the issuance of Bonds pursuant to this Indenture; and

WHEREAS, the execution and delivery of this Indenture has been in all respects duly and validly authorized and approved by resolution of the Board of the Issuer; and

WHEREAS, the Trustee is willing to accept the trusts provided for in this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, and the Issuer and the Trustee agree as follows for the benefit of the other, for the benefit of the Holders of the Bonds issued pursuant hereto and the other parties secured hereby:

GRANTING CLAUSES

FOR AND IN CONSIDERATION OF the premises, the mutual covenants of the Issuer and the Trustee herein, the purchase of the Bonds by the Holders thereof and the obligations of the Interest Rate Swap Counterparty under the Interest Rate Swap, and in order to secure:

(i) the payment of the principal of and premium, if any, and interest on the Bonds and the payment of the Interest Rate Swap Payments, in each case according to the tenor and effect of the Bonds and the Interest Rate Swap, and

(ii) the performance and observance by the Issuer of all the covenants expressed or implied in this Indenture and in the Bonds,

the Issuer does hereby grant to the Trustee a lien on and security interest in the Trust Estate and convey, assign and pledge unto the Trustee and its successors in trust, all right, title and interest of the Issuer in and to the Trust Estate, subject to conveyance, assignment and pledge of the Commodity Swap Payment Fund in favor of the Commodity Swap Counterparty as set forth below, and further subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, and all other rights hereinafter granted for the further securing of the Bonds;

FOR AND IN CONSIDERATION OF the obligations of the Commodity Swap Counterparty under the Commodity Swap and the mutual covenants of the Issuer and the Commodity Swap Counterparty thereunder, and in order to secure the payment of the Commodity Swap Payments, the Issuer does hereby convey, assign and pledge unto the Trustee and its successors in trust, all right, title and interest of the Issuer in the Commodity Swap Payment Fund and the amounts on deposit therein, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, which conveyance, assignment and pledge shall have priority over the foregoing conveyance, assignment and pledge of the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Bonds and the Interest Rate Swap Payments;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of (i) all Holders of the Bonds without privilege, priority or distinction as to the lien or otherwise of any Bond over any other Bond or the payment of interest with respect to any Bond over the payment of interest with respect to any other Bond, except as otherwise provided herein, and (ii) the Interest Rate Swap Counterparty; and

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns shall well and truly pay, or cause to be paid, the principal or Redemption Price, if any, on the Bonds and the interest due or to become due thereon, the Commodity Swap Payments and the Interest Rate Swap Payments, at the times and in the manner provided in the Bonds, the Commodity Swap and the Interest Rate Swap, respectively, according to the true intent and meaning thereof, and shall cause the payments to be made into the Funds as required hereunder, or shall provide, as permitted hereby, for the payment thereof as provided in Section 12.01, and shall well and truly keep and perform and observe all the covenants and conditions of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments or provisions for such payments by the Issuer, the Bonds, the Commodity Swap and the Interest Rate Swap shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Issuer to the Holders of the Bonds shall thereupon cease, terminate and be discharged and satisfied; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who from time to time shall be or become the Holders thereof, and the trusts and conditions upon which the Revenues, moneys, securities and funds held or set aside under this Indenture, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture, are to be held and disposed of, which said trusts and conditions the Trustee hereby accepts, and the respective parties hereto covenant and agree, are as follows:

ARTICLE I

DEFINITIONS AND GOVERNING LAW

Section 1.01. Definitions. The following terms shall, for all purposes of this Indenture, have the following meanings:

"*Account*" or "*Accounts*" means, as the case may be, each or all of the Accounts established in Sections 4.15 and 5.02.

"*Accountant's Certificate*" means a certificate signed by an independent certified public accountant or a firm of independent certified public accountants, selected by the Issuer, who may be the accountant or firm of accountants who regularly audit the books of the Issuer and must be identified upon selection in writing to the Trustee.

"*Act*" means the Joint Exercise of Powers Act constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time.

"*Administrative Fee Fund*" means the Administrative Fee Fund established in Section 5.02.

"*Advance*" means the amounts paid to the Trustee, on behalf of the Issuer, pursuant to the Custodial Agreements.

"*Alternate Liquidity Facility*" means a Liquidity Facility for a Series of Bonds delivered to the Trustee in substitution for a Liquidity Facility then in effect with respect to such Bonds.

"*Amortized Value*" means, with respect to any Bond to be redeemed when a Term Rate Period is in effect with respect to such Bond, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by the Issuer, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond's original reoffering yield on the date such Bond began to bear interest at its current Term Rate, which, in the case of the initial Term Rate Period for the Series 2023[__]-1 Bonds and certain dates, produces the amounts for all of the Series 2023[__]-1 Bonds set forth in Schedule IV; *provided* that in the case of a redemption of the Series 2023[__]-1 Bonds pursuant to Section 4.03(b), the Amortized Value of

the Series 2023[__]-1 Bonds shall be the percentage of the principal amount thereof for the applicable redemption date set forth in Section 4.03(b).

"*Applicable Factor*" means (a) with respect to the initial issuance of a Series of Bonds bearing interest at a SOFR Index Rate, the percentage or factor of the SOFR Index determined by the Underwriter and specified in the Index Rate Determination Certificate for such Series of Bonds, or (b) with respect to a Series of Bonds for which the Interest Rate Period is being converted to a SOFR Index Rate Period (including a change in such Interest Rate Period from one SOFR Index Rate Period to another SOFR Index Rate Period), the percentage or factor of the SOFR Index determined by the Remarketing Agent and specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice, provided in each case that the Issuer delivers to the Trustee a Favorable Opinion of Bond Counsel addressing the selection of such percentage or factor. The Applicable Factor shall be determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with Section 2.09(a) and included in the applicable Index Rate Determination Certificate, and once determined shall remain constant for the duration of the applicable SOFR Index Rate Period.

"*Applicable Spread*" means, with respect to a Series of Bonds for which the Initial Interest Rate Period is an Index Rate Period, or for any Series of Bonds for which the Interest Rate Period is converted to an Index Rate Period, the margin or spread, which may be positive or negative, determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with Section 2.09(a), on or prior to the Issue Date or Conversion Date for such Bonds, as applicable, and specified in the applicable Supplemental Indenture or Index Rate Determination Certificate [or Index Rate Continuation Notice], as applicable, which shall be added to the applicable Index (or the product of the Applicable Factor and the applicable Index, as the case may be) to determine the Index Rate. Once so determined, the Applicable Spread shall remain constant for the duration of the applicable Index Rate Period. The Applicable Spread shall be determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with Section 2.09(a) and included in the applicable Index Rate Determination Certificate.

"*Applicable Tax Exempt Municipal Bond Rate*" means, for the Bonds of any maturity, the "Comparable AAA General Obligations" yield curve rate for the year of such maturity or Mandatory Purchase Date, as applicable, as published by Refinitiv Global Markets, Inc. at least one Business Day and not more than 15 Business Days prior to the date that notice of redemption is required to be given pursuant to Section 4.04. If no such yield curve rate is established for the applicable year, the "Comparable AAA General Obligations" yield curve rate for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight line basis. This rate is made available daily by Refinitiv Global Markets and is available to its subscribers through its internet address: www.tm3.com. In calculating the Applicable Tax Exempt Municipal Bond Rate, should Refinitiv Global Markets, Inc. no longer publish the "Comparable AAA General Obligations" yield curve rate, then the Applicable Tax Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics, Inc. no longer publishes the Consensus Scale, the Applicable Tax Exempt Municipal Bond Rate shall be determined by a major

market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax exempt general obligation bonds rated in the highest Rating Category by Moody's and S&P with a maturity date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent's determination of the Applicable Tax Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.

"*Assignment Payment*" means any payment received from the Energy Supplier in connection with an assignment of the Energy Purchase Agreement to a replacement energy supplier.

"*Assignment Payment Fund*" means the Assignment Payment Fund established in Section 5.02.

"*Attesting Party*" means an individual authorized by a resolution of the Board to attest the signatures of Authorized Officers.

"*Authorized Denominations*" means with respect to any (a) Term Rate Period or Index Rate Period, $5,000 and any integral multiple thereof, and (b) Commercial Paper Interest Rate Period, Daily Interest Rate Period or Weekly Interest Rate Period, $100,000 and any integral multiple of $1,000 in excess of $100,000.

"*Authorized Newspaper*" means *The Wall Street Journal* or *The Bond Buyer* or any other newspaper or journal printed in the English language and customarily published on each Business Day devoted to financial news and selected by the Issuer, with prior written notice to and approval of the Trustee, whose decision shall be final.

"*Authorized Officer*" means (a) the Treasurer/Controller of the Issuer, and (b) any other person or persons designated by the Board by resolution to act on behalf of the Issuer under this Indenture. The designation of such person or persons shall be evidenced by a Written Certificate of the Issuer delivered to a Responsible Officer of the Trustee containing the specimen signature of such person or persons and signed on behalf of the Issuer by its Treasurer/Controller, which incumbency certificate shall be amended by the Issuer, with notice to a Responsible Officer of the Trustee and the Custodian, whenever a person is to be added or deleted from the listing. Such designation as an Authorized Officer shall remain in effect until a Responsible Officer of the Trustee receives actual written notice from the Issuer to the contrary, accompanied by a new certificate.

"*Beneficial Owner*" means, with respect to Bonds registered in the Book Entry System, any Person who acquires a beneficial ownership interest in a Bond held by the Securities Depository, and the term "*Beneficial Ownership*" shall be interpreted accordingly.

"*BLS*" means the Bureau of Labor Statistics of the U.S. Department of Labor.

"*Board*" means the Board of Directors of the Issuer, or if said Board is abolished, the board, body, commission or agency succeeding to the principal functions thereof or to whom the power

and duties granted or imposed by this Indenture are given by law, and which shall be identified in a Written Notice of the Issuer delivered to the Trustee.

"*Bond*" or "*Bonds*" means any of the Bonds and Refunding Bonds authorized by Section 2.01 of, and at any time Outstanding pursuant to, this Indenture.

"*Bond Counsel*" means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions and instrumentalities, duly admitted to the practice of law before the highest court of any state of the United States, and selected by the Issuer.

"*Bond Payment Date*" means each date on which (a) interest on the Bonds is due and payable, (b) an Interest Rate Swap Payment is due, or (c) principal of the Bonds is payable at maturity or pursuant to Sinking Fund Installments.

"*Bond Purchase Fund*" means the fund by that name established pursuant to Section 4.15(a), including the Remarketing Proceeds Account and the Issuer Purchase Account therein.

"*Bond Registrar*" means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by the Issuer to perform the duties of Bond Registrar under this Indenture.

"*Bondholder*" or "*Holder of Bonds*" or "*Holder*" or "*Owner*" means any Person who shall be the registered owner of any Bond or Bonds.

"*Book Entry System*" means the system maintained by the Securities Depository and described in Section 3.09.

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the city in which is located the designated corporate trust office of the Trustee, the Custodian, or the Calculation Agent are authorized by law or executive order to close, (c) a day on which the New York Stock Exchange, Inc. is closed, (d) a day on which the payment system of the Federal Reserve System is not operational, and (e) for purposes of determining the SIFMA Index Rate and the SOFR Index Rate, any day other than Saturday, a Sunday, or a day that SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading fixed-income securities. With respect to any action required to be taken by the Issuer hereunder, the term "Business Day" shall exclude any date on which the operational offices of the Issuer are authorized by law or executive order to close.

"*Calculation Agent*" means, with respect to any Series of Bonds bearing interest at an Index Rate, the Calculation Agent with respect to such Bonds appointed by the Issuer, with written notice to the Trustee, pursuant to the applicable Calculation Agent Agreement and the Indenture. The initial Calculation Agent for the Series 2023[_] Bonds shall be The Bank of New York Mellon Trust Company, N.A., provided that the Calculation Agent for any Bonds bearing interest at a CPI Index Rate shall be Morgan Stanley & Co., LLC.

"*Calculation Agent Agreement*" means, with respect to any Series of Bonds bearing interest at an Index Rate, such agreement as is entered into by the applicable Calculation Agent and the Issuer with respect to such Series of Bonds providing for the determination of the applicable Index Rate in accordance with Section 2.09 or Section 2.14, as originally executed or as it may from time to time be supplemented or modified pursuant to the terms thereof and this Indenture, as applicable.

"*Cede*" means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 3.09.

"*Clean Energy Project*" means the Issuer's purchase of Energy pursuant to the Energy Purchase Agreement and related contractual arrangements and agreements, and the purchase of any Energy to replace Energy not delivered as required pursuant to the Energy Purchase Agreement.

"*Commercial Paper Interest Rate Period*" means, with respect to a Series of Bonds, each period comprised of CP Interest Terms for the Bonds of such Series, during which CP Interest Term Rates are in effect for the Bonds of such Series.

"*Commodity Swap*" means the ISDA Master Agreement, Schedule and Confirmation between the Issuer and the Commodity Swap Counterparty, or any replacement agreement permitted by Section 2.12(b), pursuant to which the Issuer will pay to the Commodity Swap Counterparty an index based floating price and the Commodity Swap Counterparty will pay to the Issuer a fixed price in relation to the quantities of Energy to be delivered under the Energy Purchase Agreement.

"*Commodity Swap Counterparty*" means [_____] and its successors and assigns and the counterparty to any replacement Commodity Swap that meets the requirements of Section 2.12(b).

"*Commodity Swap Mandatory Termination Event*" has the meaning set forth in Section 2.12(c)(iii).

"*Commodity Swap Payment Fund*" means the Commodity Swap Payment Fund established in Section 5.02.

"*Commodity Swap Payments*" means, as of each scheduled payment date specified in a Commodity Swap, the amount, if any, payable to the Commodity Swap Counterparty by the Issuer (including any such amount paid to the Custodian pursuant to Section 3 of the Issuer Custodial Agreement).

"*Commodity Swap Receipts*" means, as of each scheduled payment date specified in a Commodity Swap, the amount, if any, payable to the Issuer by the Commodity Swap Counterparty.

"*Continuing Disclosure Undertaking*" means the Continuing Disclosure Undertaking, dated the date hereof, between the Issuer and the Dissemination Agent, as the same may be amended from time to time.

"*Contract Price*" has the meaning assigned to such term in the Power Supply Contracts.

"*Conversion*" means (a) a conversion of a Series of Bonds from one Interest Rate Period to another Interest Rate Period, (b) with respect to a Series of Bonds bearing interest at an Index Rate, the establishment of a new Index, a new Index Rate and/or a new Index Rate Period and (c) with respect to a Series of Bonds bearing interest in a Term Rate Period, the establishment of a new Term Rate and/or a new Term Rate Period. A Conversion may occur only on a Mandatory Purchase Date.

"*Conversion Date*" means the effective date of a Conversion of a Series of Bonds and shall occur only on a Mandatory Purchase Date.

"*Cost of Acquisition*" means all costs of planning, financing, refinancing, acquiring, transmitting, storing and implementing Clean Energy Project, including:

(a) the amount of the prepayment required to be made by the Issuer under the Energy Purchase Agreement;

(b) the amount for deposit into the Capitalized Interest Subaccount of the Debt Service Account for capitalized interest on the Bonds, with such interest being calculated in accordance with the definition of "Debt Service;"

(c) the costs and expenses incurred in the issuance and sale of the Bonds, including, without limitation, legal, financial advisory, accounting, engineering, consulting, municipal advisory, financing, technical, fiscal agent and underwriting costs, fees and expenses, bond discount, rating agency fees, and all other costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds and preparation of this Indenture;

(d) all other costs incurred in connection with and properly chargeable to, the acquisition or implementation of the Clean Energy Project;

(e) the allowance for working capital requirements of the Issuer with respect to the Clean Energy Project in such amounts as shall be deemed reasonably necessary by the Issuer; and

(f) with respect to any Series of Refunding Bonds, the amounts necessary to purchase, redeem and discharge Bonds being refunded, including the payment of the Purchase Price or the Redemption Price of such Bonds, any necessary deposits to the Debt Service Account, and all other costs and expenses incurred in connection with such Series of Refunding Bonds, including the costs and expenses described in (e) and (f) above.

"*CP Interest Term*" means, with respect to a Commercial Paper Interest Rate Period for a Series of Bonds, each period established in accordance with Section 2.08 during which a CP Interest Term Rate is in effect for the Bonds of such Series.

"*CP Interest Term Rate*" means, with respect to any Bond of a Series of Bonds in the Commercial Paper Interest Rate Period, an interest rate established periodically for each CP Interest Term in accordance with Section 2.08.

"*CP Mandatory Purchase Date*" means (i) each Mandatory Purchase Date and (ii) the day next succeeding the last day of each CP Interest Term.

"*CPI*" means, the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers ("*CPI*"), published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor ("*BLS*") and reported on Bloomberg CPURNSA or any successor service ("*Bloomberg CPURNSA*"). If such index is not then reported by such source but the CPI has otherwise been reported by the BLS, the Calculation Agent will determine the CPI as published by the BLS for such Month using a source it deems to be accurate and appropriate.

"*CPI Index Rate Formula*" means (i) the total of CPI for the applicable Reference Month less CPI for the twelfth month prior to the applicable Reference Month, divided by (ii) CPI for the twelfth month prior to the applicable Reference Month, which formula would be expressed mathematically as ((CPIt — CPIt-12) / CPIt-12), where:

CPIt = CPI for the applicable Reference Month; and

CPIt-12 = CPI for the twelfth month prior to the applicable Reference Month.

All values used in the CPI Index Rate Formula will be truncated to six decimal places and rounded to the nearest fifth decimal place (one hundred thousandth of a percentage point), rounding upwards if the sixth decimal place is five or greater (*e.g.*, 9.876555% (or .09876555) would be rounded up to 9.87656% (or .0987656) and 9.876554% (or .09876554) would be rounded down to 9.87655% (or .0987655)). All percentages resulting from any calculation of the interest rate will be truncated to four decimal places and rounded to the nearest third decimal place (one thousandth of a percentage point), rounding upwards if the fourth decimal place is five or greater (*e.g.*, 9.8765% (or .098765) would be rounded up to 9.877% (or .09877) and 9.8764% (or .098764) would be rounded down to 9.876% (or .09876)). All dollar amounts used in or resulting from such calculation on Bonds bearing interest at the CPI Index Rate will be rounded to the nearest cent (with one-half cent being rounded upward).

If the sum of (i) the CPI Index Rate Formula and (ii) the Applicable Spread on any CPI Index Rate Reset Date yields a number equal to or less than zero, the interest rate on such CPI Index Rate Bonds shall be 0.00% (zero percent) for the applicable month.

"*CPI Index Rate*" means the interest rate per annum determined by the Calculation Agent equal to the sum of (a) the result of the CPI Interest Rate Formula, plus (b) the Applicable Spread, as set forth in Section 2.14.

"*CPI Index Rate Period*" means, with respect to a Series of Bonds, each period during which a CPI Index Rate is in effect for such Bonds.

"*CPI Index Rate Reset Date*" means, the first Business Day of each calendar month.

"*CPI Interest Period*" means the period from and including a CPI Index Rate Reset Date, to but excluding the next following CPI Index Rate Reset Date.

"*Custodial Agreements*" means, collectively, the Energy Supplier Custodial Agreement and the Issuer Custodial Agreement.

"*Custodian*" means The Bank of New York Mellon Trust Company, N.A., as Custodian under the Custodial Agreements and its successors and assigns.

"*Daily Interest Rate*" means, with respect to a Series of Bonds, the final daily interest rate for such Bonds determined by the Remarketing Agent by 11:00 a.m. New York City time pursuant to Section 2.05.

"*Daily Interest Rate Period*" means, with respect to a Series of Bonds, each period during which a Daily Interest Rate is in effect for such Bonds.

"*Debt Service*" means with respect to any Outstanding Bonds, for any particular period of time, an amount equal to the sum of:

(a) all interest payable during such period on such Bonds, but excluding any interest that is to be paid from Bond proceeds on deposit in the Debt Service Account, plus

(b) the Principal Installments payable during such period on such Bonds, calculated on the assumption that, on the day of calculation, such Bonds cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by this Indenture;

provided that (i) the interest on any Bonds with a related Interest Rate Swap shall be calculated on the basis of the fixed interest rate payable by the Issuer under the Interest Rate Swap, and (ii) principal and interest due on the first day of a Fiscal Year shall be deemed to have been payable and paid on the last day of the immediately preceding Fiscal Year.

"*Debt Service Account*" means the Debt Service Account in the Debt Service Fund established in Section 5.02.

"*Debt Service Fund*" means the Debt Service Fund established in Section 5.02.

"*Debt Service Fund Agreement*" means any debt service fund agreement, that is a Qualified Investment, among the Trustee, the Issuer and a provider, or between the Issuer and a provider and assigned to the Trustee, relating to amounts deposited in the Debt Service Account of the Debt Service Fund. The initial Debt Service Fund Agreement shall be the Debt Service Account Investment Agreement between the Issuer and Morgan Stanley Capital Group Inc., dated the Initial Issue Date.

"*Debt Service Fund Agreement Guaranty*" means any unconditional guaranty, in favor of the Issuer and the Trustee, guarantying the obligations of the provider under any Debt Service Fund Agreement.

"*Defaulted Interest*" has the meaning given to such term in Section 3.08.

"*Defeasance Securities*" means (a) Government Obligations and (b) to the extent that such deposits or certificates of deposit are Qualified Investments, deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment, or irrevocable instructions have been given to call for redemption or repayment, of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by Government Obligations to the extent not insured by the Federal Deposit Insurance Corporation.

"*Depository*" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by the Issuer as a depository of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

"*Dissemination Agent*" means that certain dissemination agent appointed by the Issuer, pursuant to the Continuing Disclosure Undertaking, and any successor Dissemination Agent appointed by the Issuer in accordance with the Continuing Disclosure Undertaking.

"*DTC*" means The Depository Trust Company, New York, New York, and its successors and assigns.

"*Early Termination Payment Date*" has the meaning given to such term in Section 17.4(d) of the Energy Purchase Agreement.

"*Electronic Means*" means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by a Responsible Officer of the Trustee as available for use in connection with its services hereunder.

"*Eligible Bonds*" means any Bonds other than Bonds which a Responsible Officer of the Trustee actually knows to be owned by, for the account of, or on behalf of the Issuer or a Project Participant.

"*EMMA*" means the Electronic Municipal Market Access system, the website currently maintained by the Municipal Securities Rulemaking Board and any successor municipal securities disclosure website approved by the Securities and Exchange Commission.

"*Energy*" has the meaning given to such term in the Power Supply Contracts.

"*Energy Purchase Agreement*" means the Prepaid Energy Sales Agreement, dated as of [_____], 2023, between the Issuer and the Energy Supplier.

"*Energy Remarketing Reserve Fund*" means the Energy Remarketing Reserve Fund in established in Section 5.02.

"*Energy Supplier*" means Morgan Stanley Energy Structuring, L.L.C.

"*Energy Supplier Custodial Agreement*" means the Custodial Agreement dated as of the Initial Issue Date among the Commodity Swap Counterparty, the Energy Supplier, the Trustee and the Custodian.

"*Energy Supplier Guaranty*" means the Morgan Stanley Guarantee, as defined in the Energy Purchase Agreement.

"*Event of Default*" has the meaning given to such term in Section 8.01.

"*Extraordinary Expenses*" means extraordinary and nonrecurring expenses. Termination payments under the Commodity Swap shall not be considered an Extraordinary Expense.

"*Failed Remarketing*" means, (a) with respect to the Bonds on any Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund) or (b) with respect to the Bonds (i) if, on the last day of the current Reset Period prior to a Mandatory Purchase Date, the Issuer has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of such existing Bonds, or (ii) if the conditions of (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date.

"*Favorable Opinion of Bond Counsel*" means an Opinion of Bond Counsel to the effect that an action proposed to be taken is not prohibited by this Indenture and will not, in and of itself, cause interest on the applicable Bonds to be included in gross income for purposes of federal income taxation.

"*Fiduciary*" or "*Fiduciaries*" means the Trustee, the Paying Agents, the Bond Registrar, the Calculation Agents, the Custodian, the tender agent or any or all of them, as may be appropriate.

"*Final Fixed Rate Conversion Date*" means, with respect to a Series of Bonds, the date on which such Bonds begin to bear interest for a Term Rate Period which extends to the Final Maturity Date for such Series of Bonds.

"*Final Maturity Date*" means (a) with respect to the Series 2023[__] Bonds, [_____], 20[__] and (b) with respect to any other Series of Bonds, the final Maturity Date set forth in the related Supplemental Indenture.

"*Fiscal Year*" means (a) the twelve-month period beginning on January 1 of each year and ending on and including the next December 31, or (b) such other twelve-month period established by the Issuer from time to time, upon Written Notice to the Trustee, as its fiscal year.

"*Fitch*" means Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer in a Written Notice delivered to the Trustee.

"*Fund*" or "*Funds*" means, as the case may be, each or all of the Funds established in Section 5.02 and Section 4.15.

"*General Reserve Fund*" means the General Reserve Fund established in Section 5.02.

"*Government Obligations*" means:

(a) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America, and evidences of ownership interests in such direct or unconditionally guaranteed obligations; or

(b) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which: (i) are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice; (ii) are rated in the two highest Rating Categories of S&P and Moody's; and (iii) are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in clause (a) above, which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable notice, as appropriate; or

(c) Any other bonds, notes or obligations of the United States of America or any agency or instrumentality thereof which, if deposited with the Trustee for the purpose described in Section 12.01(c), will result in a rating on the Bonds which are deemed to have been paid pursuant to Section 12.01(c) that is in the same Rating Category of the obligations listed in subsection (a) above.

The determination as to whether any bond, note or other obligation constitutes a Government Obligation shall be made solely at the time of initial investment or purchase; *provided that*, the Trustee shall have no responsibility for monitoring any ratings or determining whether any bond, note or other obligation is or continues to be a Government Obligation.

"*Indenture*" means this Trust Indenture as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms hereof.

"*Index*" means the SIFMA Index, the SOFR Index or CPI, as applicable.

"*Index Rate*" means a SIFMA Index Rate, the SOFR Index Rate or a CPI Index Rate, as applicable.

"Index Rate Continuation Notice" means a Written Notice delivered by the Issuer in the form of *Exhibit D* hereto pursuant to Section 2.09(c) or Section 2.14(c)(i).

"*Index Rate Determination Certificate*" means a Written Certificate delivered by the Issuer in the form of *Exhibit B* hereto pursuant to Section 2.09(b)(i) or Section 2.14(b)(i).

"*Index Rate Period*" means, with respect to a Series of Bonds, an Interest Rate Period during which the Bonds of such Series bear interest at an Index Rate.

"*Index Rate Reset Date*" means, with respect to a Series of Bonds bearing interest at an Index Rate, each date on which the applicable Index Rate is determined by the Calculation Agent based on the change in the applicable Index as of such date, which shall be the date or dates so specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice with respect to such Index Rate Period (including, by way of example and not limitation, each Business Day, Thursday of each week, the first Business Day of each calendar month, the first Business Day of a calendar quarter or SOFR Effective Date).

"*Index Rate Tender Date*" means, with respect to any Index Rate Period for a Series of Bonds, the date so specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice with respect to such Index Rate, which date shall be the next-occurring Mandatory Purchase Date, which shall be a date not later than the Final Maturity Date. The Index Rate Tender Date shall always be a Business Day, unless such date is the Final Maturity Date. If a date (other than the Final Maturity Date) that is not a Business Day is specified as an Index Rate Tender Date, then the Index Rate Tender Date shall be the Business Day immediately following such specified date.

"*Initial Interest Rate Period*" means, with respect to the Series 2023[_] Bonds, the period from the Initial Issue Date to and including [_____], 20[__]; *provided* that in the event that all of the Series 2023[_] Bonds are redeemed (or purchased in lieu of redemption) pursuant to Section 4.03, the Initial Interest Rate Period shall end on and as of the day of such redemption or purchase.

"*Initial Issue Date*" means the date of initial issuance and delivery of the Series 2023[_] Bonds.

"*Initial Mandatory Purchase Date*" means [_____], 20[__], which is the day following the last day of the Initial Interest Rate Period for the Series 2023[_] Bonds.

"*Interest Accrual Date*" means, with respect to any Bond (a) during any Daily Interest Rate Period or Weekly Interest Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Daily Interest Rate Period or Weekly Interest Rate Period, as applicable, (b) during any Index Rate Period for such Bond, the first day thereof and, thereafter each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Index Rate Period, except as otherwise provided in the Supplemental Indenture for such Bond, (c) during any Term Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Term Rate Period, and (d) for each CP Interest Term for such Bond within a Commercial Paper Interest Rate Period, the first day thereof.

"*Interest Payment Date*" means, with respect to any Bond (a) during any Daily Interest Rate Period or Weekly Interest Rate Period for such Bond, the first Business Day of each Month, (b) during any Index Rate Period for such Bond, the first Business Day of each Month, except as otherwise provided by Supplemental Indenture for such Bond, (c) during any Term Rate Period

for such Bond, each [_____] 1 and [_____] 1, *provided* that the first Interest Payment Date for any Term Rate Period shall be at least ninety (90) days from the first day of such period, (d) during any Commercial Paper Interest Rate Period for such Bond, the day next succeeding the last day of each CP Interest Term for such Bond, (e) any redemption date for such Bond, (f) any Mandatory Purchase Date for such Bond, and (g) the Maturity Date of such Bond.

"*Interest Rate Determination Certificate*" means a certificate of the Issuer delivered to the Trustee no later than 30 days prior to the effective date of the new Interest Rate Period, setting forth the applicable Interest Rate Period and, during such Interest Rate Period, the next occurring Mandatory Purchase Date, and (i) for Bonds bearing interest at a Term Rate, the interest rate(s) for such Bonds during such Interest Rate Period and (ii) for Bonds bearing interest at an Index Rate, the Index, the Index Rate Reset Date, the Applicable Spread, the Applicable Factor, and the CPI and the CPI Interest Period, if applicable, for such Bonds during such Interest Rate Period.

"*Interest Rate Period*" means a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period. Notwithstanding anything contained herein to the contrary, all Bonds of a Series shall at all times bear interest in the same Interest Rate Period. All Interest Rate Periods for all Series of Bonds shall terminate on the first to occur of the day prior to (a) the next occurring Mandatory Purchase Date or (b) the Final Maturity Date.

"*Interest Rate Swap*" means (a) the ISDA Master Agreement, the Schedule thereto and each Confirmation thereunder between the Issuer and the Interest Rate Swap Counterparty, pursuant to which the Issuer agrees to make payments to the Interest Rate Swap Counterparty at a fixed rate of interest and the Interest Rate Swap Counterparty agrees to make payments to the Issuer at a floating rate equal to the rate of interest borne by a related Series of Variable Rate Bonds, in each case with a notional amount equal to the Outstanding principal amount of such Series of Bonds, and (b) any replacement interest rate swap agreement permitted by Section 2.13(b), in each case as originally executed or as it may from time to time be supplemented, modified or amended pursuant to the terms thereof and this Indenture, as applicable; *provided that*, as long as no Interest Rate Swap has been entered into by the Issuer, all references herein to the Interest Rate Swap, Interest Rate Swap Counterparty, Interest Rate Swap Receipts and Interest Rate Swap Payments (including, without limitation, Section 7.15) shall be disregarded.

"*Interest Rate Swap Counterparty*" means the counterparty to the Interest Rate Swap or replacement Interest Rate Swap, and any successor and assign thereof, that meets the requirements of Section 2.13(b).

"*Interest Rate Swap Payments*" means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to the Interest Rate Swap Counterparty by the Issuer.

"*Interest Rate Swap Receipts*" means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to the Issuer by the Interest Rate Swap Counterparty.

"*Internal Revenue Code*" means the Internal Revenue Code of 1986, as amended. References herein to sections of the Internal Revenue Code include the applicable U.S. Treasury Regulations promulgated thereunder.

"*Issue Date*" means (a) with respect to the Series 2023[_] Bonds, the Initial Issue Date, and (b) with respect to any other Series of Bonds, the date of initial issuance and delivery of such Series.

"*Issuer*" means California Community Choice Financing Authority, a joint powers authority organized pursuant to the laws of the State of California, including without limitation, the Act.

"*Issuer Custodial Agreement*" means the Custodial Agreement dated as of the Initial Issue Date among the Commodity Swap Counterparty, the Issuer, the Trustee and the Custodian.

"*Issuer Purchase Account*" means the Account by that name in the Bond Purchase Fund.

"*Liquidity Facility*" means, with respect to a Series of Bonds, a standby bond purchase agreement, letter of credit or similar facility providing liquidity support for such Series of Bonds and any Alternate Liquidity Facility provided in substitution of the foregoing.

"*Liquidity Facility Provider*" means, with respect to a Liquidity Facility for a Series of Bonds, the commercial bank or other financial institution providing the same and any other commercial bank or other financial institution issuing or providing (or having primary obligation for, or acting as agent for the financial institutions obligated under) an Alternate Liquidity Facility.

"*Mandatory Purchase Date*" means (i) the Initial Mandatory Purchase Date, and (ii) any subsequent date on which Bonds are required to be purchased pursuant to Section 4.13 or Section 4.14, respectively.

"*Maturity Date*" means, with respect to a Series of Bonds, each date upon which principal of such Bonds is due, as set forth in (a) Section 2.02(b) with respect to the Series 2023[_] Bonds, and (b) the related Supplemental Indenture with respect to any other Series of Bonds.

"*Maximum Lawful Rate*" means the maximum interest rate permitted by applicable law.

"*Maximum Rate*" means the lesser of 12% per annum and the Maximum Lawful Rate.

"*Member*" means each of Central Coast Community Energy, East Bay Community Energy Authority, Marin Clean Energy, Pioneer Community Energy, Silicon Valley Clean Energy Authority and Clean Power Alliance of Southern California.

"*Minimum Daily Interest Rate*" means, with respect to a Series of Bonds bearing interest at a Daily Rate, the minimum rate determined by the Remarketing Agent by 10:00 a.m. New York City time pursuant to Section 2.05.

"*Minimum Rate*" means 0.00% *per annum*.

"*Month*" means a calendar month.

"*Moody's*" means Moody's Investors Service, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer in a Written Notice delivered to the Trustee.

"*Morgan Stanley*" means Morgan Stanley, a Delaware corporation.

"*MWh*" means a megawatt-hour.

"*Net Participant Shortfall Amount*" means, for any Month in which the Project Participant fails to pay the full amount due under the Power Supply Contracts in time for such amount to be credited to the Revenue Fund for application pursuant to Section 5.05(a) and the full amount due by such Project Participant is not otherwise paid by the Energy Supplier pursuant to the Receivables Purchase Provisions, an amount equal to the positive result (if any) of (i) such Project Participant's Payment Deficiency Index Baseline for such Month minus (ii) the greater of (a) such Project Participant's Payment Deficiency Fixed Baseline for such Month, and (b) the actual amount paid by such Project Participant for such Month, *provided* that if the foregoing does not result in a positive number, then no Net Participant Shortfall Amount will exist for such Project Participant for such Month.

"*Operating Expenses*" means, to the extent properly allocable to the Clean Energy Project, (a) the Issuer's expenses for operation of the Clean Energy Project, including all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain any Commodity Swap; and payments required under the Energy Purchase Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of the Issuer's obligations under the Power Supply Contracts; (b) any other current expenses or obligations required to be paid by the Issuer under the provisions of this Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of the Issuer's obligations under the Power Supply Contracts; (c) fees payable by the Issuer with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of the Issuer, which are incurred by the Issuer with respect to the Bonds, this Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by the Issuer with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by the Issuer, including, without limitation, directors and officers liability insurance allocable to the Clean Energy Project; provided that, for purposes of Section 5.05(ii), Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

"*Operating Fund*" means the Operating Fund established in Section 5.02.

"*Opinion of Bond Counsel*" means a written opinion of either Bond Counsel or Special Tax Counsel (or written opinions of both of them) addressed to the Issuer and delivered to the Trustee.

"*Opinion of Counsel*" means an opinion signed by an attorney or firm of attorneys (who may be counsel to the Issuer) selected by the Issuer.

"*Optional Purchase Date*" means any date on which Bonds are to be purchased pursuant to Section 4.11.

"*Outstanding*" when used with reference to Bonds, means as of any date, Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

(a) Bonds cancelled (or portions thereof deemed to have been cancelled) by the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided* that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in Article IV;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 4.06 or Section 11.06;

(d) Bonds paid or deemed to have been paid as provided in Section 12.01; and

(e) Bonds (or portions thereof) deemed to have been purchased pursuant to the provisions of any Supplemental Indenture in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Indenture.

"*Outstanding Sold Receivables*" means, in respect of any Project Participant, Put Receivables that have been sold to the Energy Supplier pursuant to the Receivables Purchase Provisions, together with any interest accrued thereon pursuant to the Receivables Purchase Provisions, less any such Put Receivables and interest thereon that has been previously paid or repurchased from the Energy Supplier pursuant to the Receivables Purchase Provisions.

"*Participants*" means those broker dealers, banks and other financial institutions from time to time for which DTC holds Bonds as Securities Depository.

"*Paying Agent*" means the Trustee, its successors and assigns, and any other bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in this Indenture.

"*Payment Deficiency Fixed Baseline*" means, for any Month and any Project Participant, the amount such Project Participant would have been required to pay for such Month under its Power Supply Contracts if the Contract Price for such Month had been determined using an Index Price (as defined under its Power Supply Contracts) for such Month equal to the Fixed Price (as defined under the Commodity Swap) for such Month.

"*Payment Deficiency Index Baseline*" means, for any Month and any Project Participant, the amount required to be paid by such Project Participant for such Month under its Power Supply Contracts.

"*Person*" means any and all natural persons, firms, associations, corporations and public bodies.

"*Pledged Funds*" means (a) the Project Fund, (b) the Revenue Fund, (c) the Debt Service Fund, (d) the General Reserve Fund, (e) the Assignment Payment Fund and (f) the Commodity Swap Payment Fund, in each case including the Accounts in each of such Funds and in the case of the Commodity Swap Payment Fund, subject to the prior pledge thereof in favor of the Commodity Swap Counterparty.

"*Power Supply Contracts*" means (a) each of the contracts for the sale by the Issuer of Energy from or attributable to the Clean Energy Project to a Project Participant identified on Schedule I, as such contracts may be amended from time to time in accordance with the terms thereof and this Indenture, and (b) any other contract for the sale by the Issuer of Energy from or attributable to the Clean Energy Project entered into by a Person that becomes a Project Participant in accordance with the assignment and novation requirements set forth in Section 7.10(iv), as such contract may be amended from time to time in accordance with the terms thereof and this Indenture.

"*Prepaid Clean Energy Project Administration Agreement*" means the Prepaid Clean Energy Project Administration Agreement, dated as of [_____ __], 2023, between the Issuer and Silicon Valley Clean Energy Authority, as the same may be amended from time to time.

"*Prevailing Market Conditions*" means, without limitation, the following factors: existing short term market rates for securities, the interest on which is excluded from gross income for federal income tax purposes or, as applicable, qualifies the issuer thereof to receive Subsidy Payments or similar benefit; indexes of such short term rates; the existing market supply and demand and the existing yield curves for short term and long term securities for obligations of credit quality comparable to the Bonds, the interest on which is excluded from gross income for federal income tax purposes; general economic conditions and financial conditions that may affect or be relevant to the Bonds; and such other facts, circumstances and conditions as the Remarketing Agent, in its sole discretion, shall determine to be relevant to the remarketing of the Bonds at the Purchase Price thereof.

"*Principal Installment*" means, as of any date of calculation, (a) the principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance (determined as provided in Section 5.10(c)) of any Sinking Fund

Installments due on a certain future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments.

"*Project Administration Fee*" has the meaning assigned to such term in the Energy Supply Contracts.

"*Project Fund*" means the Project Fund established in Section 5.02.

"*Project Participant*" means (a) a Public Agency that is an Energy purchaser under a Power Supply Contract and identified as a "Project Participant" in Schedule I and (b) any other Person that enters into a Power Supply Contract with the Issuer in accordance with the assignment and novation requirements set forth in Section 7.10(d)(iv).

"*Public Agency*" means a state, a governmental or political subdivision of a state and a corporate instrumentality or public corporation of a state or a subdivision of a state, including without limitation any of their departments or agencies, counties, county boards of education, county superintendents of schools, cities, public corporations, public districts, public commissions or joint powers authorities.

"*Purchase Date*" means an Optional Purchase Date or a Mandatory Purchase Date, as the case may be.

"*Purchase Price*" means (a) with respect to any Purchased Bond to be purchased on an Optional Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date plus accrued and unpaid interest thereon, unless such Optional Purchase Date is an Interest Payment Date for such Bond, in which case interest on such Bond shall not be included in the Purchase Price of such Bond but shall be paid to the Owner of such Bond in accordance with the interest payment provisions of this Indenture, (b) except as provided in clause (c) below, with respect to any Purchased Bond to be purchased on a Mandatory Purchase Date, an amount equal to the principal amount of such Bond Outstanding on such date, and (c) in the case of a purchase of a Bond bearing interest at a Term Rate pursuant to Section 4.14 with respect to which the new Interest Rate Period commences prior to the day originally established as the last day of the preceding Term Rate Period, the optional redemption price for such Bond set forth in Section 4.03(b) or in an applicable Supplemental Indenture which would have been applicable to such Bond if the preceding Term Rate Period had continued to the day originally established as its last day. Accrued interest due on any Bonds to be purchased on a Mandatory Purchase Date shall be paid from amounts on deposit in the Debt Service Account of the Debt Service Fund on such date in accordance with Section 5.07.

"*Purchased Bonds*" means any Bonds required to be purchased on a Purchase Date.

"*Put Option Notice*" has the meaning set forth in Section 2.1(a) of the Receivables Purchase Provisions.

"*Put Receivable*" has the meaning set forth in Section 1.1 of the Receivables Purchase Provisions.

"*Qualified Investments*" means any of the following investments, if and to the extent that the same are rated (or whose financial obligations to the Issuer receive credit support from an entity rated) at least at the lower of (a) "A1" by Moody's and (b) the credit rating of the Energy Supplier, or, if the Energy Supplier is not rated, the guarantor of the Energy Supplier (except for (c) below), and are at the time authorized for such purpose by law:

(a) Direct obligations of the United States government or any of its agencies;

(b) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;

(c) Certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Issuer, and other evidences of deposit at state and federally chartered banks, savings and loan institutions or savings banks, including the Trustee or any of its affiliates (each having the highest short term rating by each Rating Agency then rating the Bonds) deposited and collateralized as required by law;

(d) Repurchase agreements entered into with the United States or its agencies or with any bank, broker dealer or other such entity, including the Trustee and its affiliates, so long as the obligation of the obligated party is secured by a perfected pledge of obligations that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(e) Guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period; *provided, however*, that guaranteed investment contracts, forward delivery agreements or similar agreements shall meet the conditions set forth in the preamble to this definition of Qualified Investments;

(f) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers;

(g) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by or on behalf of the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of principal of and interest on such obligations and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(h) Money market funds registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, and having a rating in the highest Rating Category by each Rating Agency at the time of investment, including money market funds of the Trustee and funds for which the Trustee or its affiliates (i) provide investment or other management services and (ii) serve as investment manager, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (A) the Trustee or its affiliate receives or collects fees from such funds for services rendered, and (B) services performed by the Trustee pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or its affiliate; or

(i) Any other investments permitted by applicable law for the investment of the funds of the Issuer and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

provided, that the Issuer shall monitor, or shall cause to be monitored, ratings and shall determine whether any investment made is or continues to be a Qualified Investment, and the Trustee shall have no responsibility whatsoever for monitoring ratings or determining whether any investment is or continues to be a Qualified Investment.

"*Rating Agency*" means Fitch, Moody's or S&P, or any other rating agency so designated in a Supplemental Indenture that, at the time, rates the Bonds.

"*Rating Category*" means one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier, a plus or minus, or otherwise.

"*Rating Confirmation*" means evidence satisfactory to the Issuer, so designated in a Written Statement of the Issuer delivered to the Trustee, that upon the effectiveness of any proposed action, all Outstanding Bonds will continue to be assigned at least the same or equivalent ratings (including the same or equivalent numerical, plus or minus, or other modifiers within a Rating Category) by each Rating Agency then rating such Outstanding Bonds.

"*Rebate Payments*" means those portions of moneys or securities held in any Fund or Account that are required to be paid to the United States Treasury Department under the requirements of Section 148(f) of the Internal Revenue Code.

"*Receivables Purchase Provisions*" means (i) initially, the provisions set forth in Exhibit G to the Energy Purchase Agreement, and (ii) any successor provisions for the purchase and sale of receivables in respect of amounts due and unpaid under the Power Supply Contracts and provided in a Written Notice of the Issuer to the Trustee.

"*Redemption Account*" means the Redemption Account in the Debt Service Fund established in Section 5.02.

"*Redemption Price*" means, with respect to any Bond, the amount payable upon redemption thereof pursuant to such Bond or this Indenture.

"*Reference Month*" means, with respect to each CPI Index Rate Reset Date, the third calendar month preceding such CPI Index Rate Reset Date.

"*Refunding Bonds*" means a Series of Bonds authorized to be issued pursuant to Section 2.01(c) for the sole purposes of refunding or defeasing (in accordance with Article XII) in whole a Series of Bonds then Outstanding, and paying the Cost of Acquisition with respect to such Refunding Bonds.

"*Regular Record Date*" means (i) with respect to any Interest Payment Date in respect of any Daily Interest Rate Period, Weekly Interest Rate Period, Index Rate Period, Commercial Paper Interest Rate Period, the Business Day immediately preceding such Interest Payment Date, and

(ii) with respect to any Interest Payment Date in respect of any Term Rate Period, the 15th day of the Month (whether or not such day is a Business Day) immediately preceding the Month in which such Interest Payment Date falls.

"*Remarketing Agent*" means, with respect to any Series of Bonds, the entity appointed as the remarketing agent for such Series pursuant to the related Remarketing Agreement and, if applicable, the related Supplemental Indenture.

"*Remarketing Agreement*" means, with respect to any Series of Bonds, the remarketing agreement, if any, entered into between the Issuer and the Remarketing Agent for such Series of Bonds.

"*Remarketing Proceeds Account*" means the Account by that name within the Bond Purchase Fund.

"*Remarketing Provisions*" means the electricity remarketing provisions set forth in Exhibit C to the Energy Purchase Agreement.

"*Remediation Remarketing Purchase Price*" has the meaning given to such term in the Remarketing Provisions.

"*Re-Pricing Agreement*" means the Re-Pricing Agreement dated as of the Initial Issue Date between the Issuer and the Energy Supplier, as the same may be amended in accordance with its terms.

"*Reset Period*" means Initial Reset Period or Reset Period, as the case may be, each as defined in the Re-Pricing Agreement.

"*Responsible Officer*" means, when used with respect to the Trustee, the Custodian or the Calculation Agent, as applicable, any managing director, president, vice president, senior associate, associate or other officer of the Trustee, the Custodian or the Calculation Agent, respectively, within its designated corporate trust office for delivery of notice specified in Section 12.11 (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at such office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Indenture.

"*Revenue Fund*" means the Revenue Fund established in Section 5.02.

"*Revenues*" means:

(a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by the Issuer from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by the Issuer under the Power Supply Contracts and the Energy Purchase Agreement or otherwise payable to

the Trustee for the account of the Issuer for the sale and/or transmission of Energy or otherwise with respect to the Clean Energy Project;

(b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to this Indenture and paid or required to be paid into the Revenue Fund;

(c) any Commodity Swap Receipts received by the Trustee on behalf of the Issuer;

(d) any Subsidy Payments received by the Trustee, on behalf of the Issuer, in accordance with Section 3.10 of this Indenture; and

(e) any Advance received by the Trustee on behalf of the Issuer.

provided that, the term "Revenues" shall not include: (u) any Termination Payment pursuant to the Energy Purchase Agreement; (v) any amounts received from the Energy Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to Section 5.11; (w) any amounts paid by the Project Participants under a Prepaid Clean Energy Project Administration Agreement; (x) any Assignment Payment received from the Energy Supplier; (y) Interest Rate Swap Receipts; and (z) amounts paid by the Project Participants in respect of the Project Administration Fee.

"*S&P*" means S&P Global Ratings, a division of S&P Global Inc., its successors and assigns, and, if such entity shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer in a Written Notice delivered to the Trustee.

"*Scheduled Debt Service Deposits*" means the required monthly deposits to the Debt Service Account in the Debt Service Fund and the required cumulative deposits to the Debt Service Account in the Debt Service Fund in respect of the Debt Service coming due on the Bonds on each Bond Payment Date pursuant to Section 5.05(a)(iii) and as set forth on Schedule II hereto. Schedule II shall be revised (a) by Written Notice of the Issuer delivered at the time of its designation of each subsequent Interest Rate Period, and (b) by each Supplemental Indenture authorizing the issuance of Refunding Bonds.

"*Securities Depository*" means DTC, or its nominee, and its successors and assigns.

"*Series*" means the Series 2023[__]-1 Bonds, Series 2023[__]-2 Bonds and any other Bonds designated as a Series authorized to be issued hereunder pursuant to Section 2.01.

"*Series 2023[_] Bonds*" means, together, the Series 2023[__]-1 Bonds and Series 2023[__]-2 Bonds.

"*Series 2023[__]-1 Bonds*" the Clean Energy Project Revenue Bonds, Series 2023[__]-1 (Green Bonds) (Term Rate) authorized to be issued under Section 2.01.

"*Series 2023[__]-2 Bonds*" means the Clean Energy Project Revenue Bonds, Series 2023[__]-2 (Green Bonds) ([SIFMA/SOFR] Index Rate) authorized to be issued under Section 2.01.

"*SIFMA Index*" means the SIFMA Municipal Swap Index, which, for purposes of an Index Rate Reset Date for a Series of Bonds bearing interest at a SIFMA Index Rate, will be the level of such index which is issued weekly and which is compiled from the weekly interest rate resets of tax exempt variable rate issues included in a database maintained by Refinitiv Global Markets, Inc. which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Calculation Agent. If the SIFMA Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date selected and designated by the Issuer in its commercially reasonable judgment in compliance with Section 2.09(b)(v) and Section 2.13.

"*SIFMA Index Rate*" means a per annum rate of interest equal to the sum of (a) the SIFMA Index then in effect, plus (b) the Applicable Spread.

"*SIFMA Index Rate Period*" means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SIFMA Index Rate.

"*Sinking Fund Installment*" means, for the Series 2023[_] Bonds, the amounts so designated in Section 4.02, and with respect to any other Series of Bonds, each amount, if any, so designated in the applicable Supplemental Indenture.

"*SOFR Accrual Period*" means (a) the number of actual days from and including the Initial Issue Date to but not including the first SOFR Interest Calculation Date and (b) thereafter, the number of actual days from and including the preceding SOFR Interest Calculation Date to but not including the next succeeding SOFR Interest Calculation Date, regardless of the number of days in any Month.

"*SOFR Effective Date*" shall mean each Business Day. Each SOFR Effective Date is an Index Rate Reset Date for all purposes of the Indenture unless the context clearly requires otherwise.

"*SOFR Effective Period*" means the number of actual days from a SOFR Effective Date to but not including the next SOFR Effective Date.

"*SOFR Index*" means the "Secured Overnight Financing Rate" reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing the SOFR Index as of the SOFR Lookback Date, which will be used to calculate interest for the SOFR Effective Period beginning on the SOFR Effective Date. If SOFR Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index

Rate Reset Date designated by the Issuer in writing (with notice to, and which is available to, the Calculation Agent) in compliance with Section 2.09(b)(v).

"*SOFR Index Rate*" means a daily variable interest rate equal to the sum of (a) the product of the SOFR Index and the Applicable Factor, plus (b) the Applicable Spread on each day of a SOFR Effective Period, but not less than the Minimum Rate and not greater than the Maximum Rate.

"*SOFR Index Rate Period*" means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SOFR Index Rate.

"*SOFR Interest Calculation Date*" means the first Business Day of each Month, commencing with the first Business Day of [_____] 2023.

"*SOFR Lookback Date*" means the third Business Day immediately preceding each SOFR Effective Date.

"*SOFR Publish Date*" means the second Business Day immediately preceding each SOFR Effective Date.

"*Special Record Date*" has the meaning given to such term in Section 3.08.

"*Special Tax Counsel*" means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States, and selected by the Issuer. Bond Counsel may serve as Special Tax Counsel.

"*Specified Project Participant*" has the meaning assigned to such term in Section 1.1 of the Receivables Purchase Provisions.

"*State*" means the State of California.

"*Subsidy Payments*" means, with respect to a Series of Bonds issued under Section 54AA of the Internal Revenue Code, the amounts relating to such Series of Bonds which are payable by the federal government under Section 6431 of the Internal Revenue Code, which the Issuer has elected to receive under Section 54AA(g)(1) of the Internal Revenue Code, and (b) with respect to a Series of Bonds issued under any other provision of the Internal Revenue Code that creates a substantially similar direct-pay subsidy program, the amounts relating to such Series of Bonds which are payable by the federal government under the applicable provision of the Internal Revenue Code which the Issuer has elected to receive under the applicable provisions of the Internal Revenue Code.

"*Supplemental Indenture*" means any indenture supplemental to or amendatory of this Indenture executed and delivered by the Issuer and the Trustee in accordance with Article X.

"*Swap Payment Deficiency*" means, as of any date, (a) the amount of the next Commodity Swap Payment expected to become due, minus (b) the amount on deposit in the Commodity Swap

Payment Fund; *provided, however*, that if such difference is a negative number, then the Swap Payment Deficiency shall be zero.

"*Tax Agreement*" means the Tax Certificate and Agreement of the Issuer with respect to the Bonds dated as of the Initial Issue Date.

"*Term Rate*" means, with respect to a Series of Bonds, a fixed interest rate for each maturity of such Bonds established in accordance with Section 2.07.

"*Term Rate Conversion Date*" means, with respect to a Series of Bonds, each date on which such Bonds begin to bear interest at a Term Rate pursuant to the provisions of Section 2.07, including each date on which a new Term Rate Period is established for such Bonds and the Final Fixed Rate Conversion Date with respect to such Bonds.

"*Term Rate Period*" means, with respect to a Series of Bonds, each period during which a Term Rate is in effect for such Bonds.

"*Term Rate Tender Date*" means (a) with respect to the initial Term Rate Period for the Series 2023[_] Bonds maturing on the Final Maturity Date, the Initial Mandatory Purchase Date, and (b) with respect to any other Term Rate Period for a Series of Bonds, the date so specified in the related Supplemental Indenture or notice of Conversion to or continuation of such Term Rate Period provided by the Issuer pursuant to Section 2.07(b), as applicable, which date shall be a Mandatory Purchase Date pursuant to Section 4.13 and shall not be later than the Final Maturity Date for such Series of Bonds. The Term Rate Tender Date shall always be a Business Day, unless such date is the Final Maturity Date. If a date (other than the Final Maturity Date) that is not a Business Day is specified as a Term Rate Tender Date, then the Term Rate Tender Date shall be the Business Day immediately following such specified date.

"*Termination Payment*" has the meaning given to such term in the Energy Purchase Agreement.

"*Trust Estate*" means (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of the Issuer in, to and under the Power Supply Contracts, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment (e) all right, title and interest of the Issuer in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier pursuant thereto, (f) all right, title and interest of the Issuer in, to and under the Energy Supplier Guaranty, (g) all right, title and interest of the Issuer in, to and under each Interest Rate Swap and the Interest Rate Swap Receipts, (h) all right, title and interest of the Issuer in, to and under any Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty and (i) the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including the investment income, if any, thereof subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

"*Trustee*" means The Bank of New York Mellon Trust Company, N.A. and its successor or successors and any other corporation or national banking association which may at any time be substituted in its place pursuant to this Indenture.

"*Undelivered Bond*" means any Bond which constitutes an Undelivered Bond under the provisions of Section 4.16.

"*Underwriter*" means (a) with respect to the Series 2023[_] Bonds, Morgan Stanley & Co. LLC, and (b) with respect to any other Series of Bonds, the municipal securities broker dealer engaged by the Issuer to underwrite such Series of Bonds.

"*Variable Rate Bonds*" means Bonds bearing interest at a Daily Interest Rate, a Weekly Interest Rate, CP Interest Term Rates or an Index Rate.

"*Weekly Interest Rate*" means, with respect to a Series of Bonds, a variable interest rate established for such Bonds in accordance with Section 2.06.

"*Weekly Interest Rate Period*" means, with respect to a Series of Bonds, each period during which a Weekly Interest Rate is in effect for such Series of Bonds.

"*Written Certificate*," "*Written Direction*," "*Written Instrument*," "*Written Notice*," "*Written Request*" and "*Written Statement*" of the Issuer means in each case an instrument in writing signed on behalf of the Issuer by an Authorized Officer thereof. Any such instrument and any supporting opinions or certificates may, but need not, be combined in a single instrument with any other instrument, opinion or certificate, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or certificate of counsel, consultants, accountants or engineers, unless the Authorized Officer signing such Written Certificate, Direction, Instrument, Notice, Request or Statement knows, or in the exercise of reasonable care should know, that the opinion or certificate with respect to the matters upon which such Written Certificate, Direction, Instrument, Notice, Request or Statement may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel, consultant, accountant or engineer, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different Authorized Officers, counsel, consultants, accountants or engineers may certify to different facts, respectively. Every Written Certificate, Direction, Instrument Notice, Request or Statement of the Issuer, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include:

(a) a statement that the person making such certificate, direction, instrument, notice, request, statement or opinion has read the pertinent provisions of this Indenture to which such certificate, direction, notice, request, statement or opinion relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, direction, instrument, notice, request, statement or opinion is based;

(c) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and

(d) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

Section 1.02. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope and intent of any provisions of this Indenture.

Section 1.03. Rules of Construction. Except where the context otherwise requires, words of any gender shall include correlative words of the other genders; words importing the singular number shall include the plural number and vice versa; and words importing persons shall include firms, associations, trusts, corporations or governments or agencies or political subdivisions thereof. The term "include" and its derivations are not limiting.

References herein to contracts and agreements include all amendments or supplements thereto made in accordance with the terms thereof, and any reference to a party to any such agreement includes all successors and assigns of such party thereunder permitted by the terms hereof and thereof. References herein to Articles, Sections, Exhibits and Schedules are references to the Articles, Sections, Exhibits and Schedules of and to this Indenture.

Section 1.04. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State.

Section 1.05. Consents. Whenever the consent, notice or direction of the Bondholders, the Energy Supplier, the Commodity Swap Counterparty, the Interest Rate Swap Counterparty or the Issuer is required under the terms of this Indenture, such consent, notice or direction, as applicable, shall be evidenced by a written instrument providing for such consent, delivered to the Trustee.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. Authorization of Bonds and Refunding Bonds; Application of Proceeds.

(a) For the purpose of financing the Cost of Acquisition of the Clean Energy Project, the $[_____] Clean Energy Project Revenue Bonds, Series 2023[__]-1 (Green Bonds) (Term Rate), which shall bear interest during the Initial Interest Rate Period at a Term Rate, and the $[_____] Clean Energy Project Revenue Bonds, Series 2023[__]-2 (Green Bonds) ([SIFMA/SOFR] Index Rate), which shall bear interest during the Initial Interest Rate Period at a [SIFMA/SOFR] Index Rate, and which shall be entitled to the benefit, protection and security of this Indenture are hereby authorized to be issued.

(b) The proceeds of the Series 2023[_] Bonds shall be deposited with the Trustee and disbursed, transferred and applied as provided in a Written Request of the Issuer delivered to the Trustee upon the issuance of the Series 2023[_] Bonds.

(c) In addition to the Series 2023[_] Bonds, there are hereby authorized to be issued by Supplemental Indenture one or more Series of Refunding Bonds for the purpose of refunding any Series of Bonds then Outstanding hereunder, subject to the following conditions:

(i) the Supplemental Indenture providing for issuance of a Series of Refunding Bonds shall set forth (A) the Bonds to be refunded, (B) the Series designation and aggregate principal amount of the Refunding Bonds, (C) the Maturity Dates (which shall be no later than the Final Maturity Date) and any Sinking Fund Installments for the Refunding Bonds, (D) the Scheduled Debt Service Deposits for such Bonds, (E) the initial Interest Rate Period for such Refunding Bonds, and if such Interest Rate Period is to be an Index Rate Period, the applicable Index or CPI, and the Applicable Spread, and (F) such other terms and provisions concerning the Refunding Bonds as are not inconsistent with this Indenture;

(ii) a Series of Refunding Bonds issued in a Term Rate Period may be sold at a premium;

(iii) the proceeds of a Series of Refunding Bonds (including any sale premium) shall be used exclusively to pay the Cost of Acquisition relating to the Refunding Bonds;

(iv) if such Bonds are Variable Rate Bonds, the Issuer shall have entered into an Interest Rate Swap with respect to such Series of Bonds, and if such Bonds are to bear interest at a Daily Interest Rate, a Weekly Interest Rate or CP Interest Term Rates, the Issuer shall have appointed a Remarketing Agent for such Bonds;

(v) the delivery to the Trustee of an Accountant's Certificate verifying ongoing cash flow sufficiency and Termination Payment sufficiency, *provided that* the Trustee shall have no duty or obligation to review the contents thereof and shall receive such Accountant's Certificate solely as a repository on behalf of Bondholders;

(vi) the delivery to the Trustee of the requests, opinions and documents required by Section 2.03(c); and

(vii) the receipt by the Trustee of a Rating Confirmation with respect to any Bonds Outstanding prior to the issuance of such Refunding Bonds that will remain Outstanding after the issuance thereof.

(d) No bonds, other than the Bonds and any Refunding Bonds, may be issued pursuant to this Indenture.

Section 2.02. Terms of Series 2023[_] Bonds; Payment. (a) The Series 2023[_] Bonds shall be dated as of the date of the initial authentication and delivery thereof, shall bear interest from such date, payable on each Interest Payment Date, and shall be subject to redemption as provided in Article IV. The principal and Redemption Price of and interest on the Series 2023[_] Bonds shall be payable by the Trustee at its designated corporate trust office and such banking institution is hereby appointed Paying Agent and Bond Registrar for the Bonds; *provided* that interest on the Bonds may be paid, at the option of the Issuer, by check payable to the order of the Person entitled thereto, and mailed by first-class mail, postage prepaid, to the address of such

Person as shall appear on the books of the Bond Registrar as of the close of business on the Regular Record Date for such Interest Payment Date, whether or not such Regular Record Date is a Business Day, which books the Bond Registrar shall keep for such purposes at its designated corporate trust office. Upon the written request of any Owner of one million dollars ($1,000,000) or more in aggregate principal amount of Bonds received by the Trustee prior to the applicable Regular Record Date (which request shall remain in effect until rescinded in writing by such Owner), interest shall be paid on each Interest Payment Date by wire transfer of immediately available funds to an account maintained in any bank or trust company in the United States of America that is a member of the Federal Reserve System designated in writing by such Owner. The principal and Redemption Price of and interest on all Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by this Indenture. The Issuer shall provide Written Notice to the Trustee of the appointment of any additional Paying Agent.

(b) The Series 2023[_] Bonds shall mature on the Maturity Dates in the principal amounts, subject to Sinking Fund Installments as set forth in Section 4.02. The Initial Interest Rate Period for the Series 2023[__]-1 Bonds shall be a Term Rate Period, the Initial Interest Rate Period for the Series 2023[__]-2 Bonds shall be an Index Rate Period ([SIFMA/SOFR] Index) and the Series 2023[_] Bonds shall bear interest during such Interest Rate Periods at the rates set forth below:

SERIES 2023[__]-1 BONDS

MATURITY DATE	PRINCIPAL AMOUNT	INTEREST RATE
	$	. %

SERIES 2023[__]-2 BONDS

MATURITY DATE	PRINCIPAL AMOUNT	INDEX	APPLICABLE SPREAD / FACTOR
	$	[SIFMA/SOFR Index]	[___] basis points / [. %]

(c) Interest on the Series 2023[_] Bonds shall be payable to the date on which such Bonds shall have been paid in full. Interest on the Series 2023[__]-1 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 2023[__]-2 Bonds shall be computed on the basis of a 365 or 366-day year, as applicable, and the actual number of days elapsed. Interest on the Series 2023[_] Bonds shall be payable on each Interest Payment Date for the period commencing on the immediately preceding Interest Accrual Date for such period and ending on the day immediately preceding such Interest Payment Date. The first Interest Payment Date for the Series 2023[__]-1 Bonds is [_____] 1, 20[__]. The first Interest Payment Date for the Series 2023[__]-2 Bonds is [_____] 1, 20[__].

(d) The initial interest rates for the Bonds of each Series and the determination for such Bonds of the Daily Interest Rate, the Weekly Interest Rate, the Index Rate or the Term Rate and each CP Interest Term and CP Interest Term Rate by the applicable Calculation Agent or Remarketing Agent for such Bonds, as the case may be, and shall be conclusive and binding upon the Issuer, the Trustee, the Remarketing Agent and the Owners of the Bonds.

(e) In connection with any Term Rate Conversion Date of a Series of Bonds, the Sinking Fund Installments, if any, established for such Series pursuant to the applicable Supplemental Indenture may be re-designated as Maturity Dates and Sinking Fund Installments for such Bonds on the Term Rate Conversion Date for such Bonds as provided for in the applicable Supplemental Indenture.

Section 2.03. Conditions for Issuance of Bonds. The Bonds of each Series shall be executed by the Issuer and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered upon the Written Direction of the Issuer, but only upon the receipt by the Trustee of:

(a) A copy, certified by an Authorized Officer, of a resolution and/or evidence of any other official actions taken by the Issuer that authorize the execution and delivery of the Bonds of such Series, together with a Written Request as to the authentication and delivery of the Bonds of such Series, signed by an Authorized Officer;

(b) An Opinion or Opinions of Counsel to the effect that (i) the Issuer has the right and power to authorize and enter into this Indenture, the Power Supply Contracts, the Energy Purchase Agreement, the Commodity Swap and any Interest Rate Swap, and (ii) the Power Supply Contracts, the Energy Purchase Agreement, the Commodity Swap and any Interest Rate Swap have been duly and lawfully authorized, executed and delivered by the Issuer and (assuming due authorization, execution and delivery by, and validity and binding effect upon, the other parties thereto) are valid and binding obligations of the Issuer, and no other authorization for the Power Supply Contracts, the Energy Purchase Agreement, the Commodity Swap or any Interest Rate Swap is required; *provided*, that such Opinion(s) of Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium, reorganization, arrangement, fraudulent conveyance or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the

State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy;

(c) An Opinion of Bond Counsel to the effect that (i) the Bonds of such Series constitute the valid and binding limited obligations of the Issuer; (ii) this Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer; and (iii) this Indenture creates a valid pledge to secure the payment of principal of and interest on the Bonds, of the Trust Estate, subject to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture; provided, that such Opinion of Bond Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium reorganization, arrangement, fraudulent conveyance, or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the State, and may state that no opinion is being rendered as to the availability of any particular remedy under the financing documents;

(d) An opinion of Special Tax Counsel to the effect that, if applicable, interest on the Bonds of such Series is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code and is exempt from State of California personal income taxes (it being agreed that if Special Tax Counsel also serves as Bond Counsel, the opinion described in this clause (d) may be consolidated with the Opinion of Bond Counsel described in the preceding clause (c));

(e) Executed or certified copy of each Power Supply Contract with each of the Project Participants specified on Schedule I;

(f) An opinion of counsel to each of the initial Project Participants to the effect that the applicable Power Supply Contract between such Project Participant and the Issuer has been duly authorized, executed and delivered by such Project Participant, is the valid and binding obligation of such Project Participant and is enforceable in accordance with its terms, subject to customary assumptions and exceptions with respect to enforceability and such additional exceptions as may be agreed to by the Issuer and the Underwriter;

(g) A rating on the Bonds from at least one Rating Agency.

Section 2.04. Initial Interest Rate Period; Subsequent Interest Rate Periods. (a) The Series 2023[_] Bonds shall be initially issued in the Interest Rate Period set forth in Section 2.02(b). Upon the purchase of the Series 2023[_] Bonds on a Mandatory Purchase Date, the Interest Rate Period for each Series of the Series 2023[_] Bonds may be converted to a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period, an Index Rate Period, a Term Rate Period or a combination thereof, as provided in this Article II. In the event that two or more Interest Rate Periods are so established, the Series 2023[_] Bonds shall, by Supplemental Indenture, be divided into separate Series or sub-Series corresponding to such Interest Rate Periods.

(b) In the manner hereinafter provided, the term of each Series of Bonds will be divided into consecutive Interest Rate Periods during each of which such Bonds shall bear interest at the Daily Interest Rate, the Weekly Interest Rate, CP Interest Term Rates, Term Rates or an Index Rate; *provided, however*, that the Interest Rate Period shall be the same for all Bonds of a Series, and, notwithstanding anything herein to the contrary, no Bond shall bear interest in excess of the Maximum Rate. The initial Interest Rate Period for any Series of Bonds (other than the Initial Interest Rate Period for the Series 2023[_] Bonds) shall be established pursuant to the related Supplemental Indenture.

Section 2.05. Daily Interest Rate Period.

(a) *Determination of Daily Interest Rates*. During each Daily Interest Rate Period for a Series of Bonds, the Bonds of such Series shall bear interest at the Daily Interest Rate, which shall be determined by the Remarketing Agent on or before 11:00 a.m., New York City time, on each Business Day for such Business Day. The Remarketing Agent will advise the Trustee by Electronic Means of the final Daily Interest Rate by 12:00 noon, New York City time, on the day such rate is determined. The Daily Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by the Bonds of the applicable Series, would enable the Remarketing Agent to sell the Bonds of such Series on that Business Day at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. With respect to any day that is not a Business Day, the Daily Interest Rate for that day shall be the same Daily Interest Rate established for the immediately preceding Business Day. In the event the Remarketing Agent fails to establish a Daily Interest Rate for any Business Day, then the Daily Interest Rate for that Business Day shall be the Daily Interest Rate for the immediately preceding Business Day if the Daily Interest Rate for the immediately preceding Business Day was established by the Remarketing Agent. Subject to the provisions of Section 2.10(d), in the event that the Daily Interest Rate for the immediately preceding Business Day was not determined by the Remarketing Agent, or in the event that the Daily Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of law, then the Daily Interest Rate shall be deemed to be equal to the SIFMA Index on the Business Day such Daily Interest Rate would otherwise be determined as provided herein for such Daily Interest Rate Period.

(b) *Conversion to Daily Interest Rate Period*. Subject to Section 2.10, at any time the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at a Daily Interest Rate. Such direction of the Issuer shall specify the proposed effective date of such Conversion to a Daily Interest Rate Period, which shall be a Business Day not earlier than the 30th day following the second Business Day after receipt by the Trustee of the Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture. In addition, such direction shall be accompanied by a form of notice required by Section 2.05(c) and the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the effective date of the Conversion to the Daily Interest Rate Period. Upon the Conversion of any Series of Bonds to the Daily Interest Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate

Period under the terms of this Indenture, the interest rate borne by such Series of Bonds shall be a Daily Interest Rate as provided in Section 2.05(a).

(c) *Notice of Conversion to Daily Interest Rate Period*. Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Daily Interest Rate Period as provided in Section 2.05(b), the Trustee shall give notice by first class mail of the Conversion of such Bonds to bear interest in a Daily Interest Rate Period to the Owners of such Bonds not less than 30 days prior to the proposed effective date of such Daily Interest Rate Period. Such notice shall be in the form provided to the Trustee pursuant to 2.05(b) to state: (i) that the Interest Rate Period for such Bonds will be converted to a Daily Interest Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Daily Interest Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the applicable Conversion Date; (ii) the proposed Conversion Date to the Daily Interest Rate Period; (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Daily Interest Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

Section 2.06. Weekly Interest Rate Period.

(a) *Determination of Weekly Interest Rates*. The Weekly Interest Rate for the initial Weekly Interest Rate Period following the issuance of a Series of Bonds bearing interest in a Weekly Interest Rate Period or Conversion of a Series of Bonds to a Weekly Interest Rate Period shall be determined on or prior to the first day of such Weekly Interest Rate Period and shall apply to the period commencing on the first day of such Weekly Interest Rate Period and ending on the succeeding Wednesday (whether or not a Business Day). Thereafter, during each Weekly Interest Rate Period for a Series of Bonds, the Bonds of such Series shall bear interest at the Weekly Interest Rate, which shall be determined by the Remarketing Agent by no later than 5:00 p.m., New York City time, on Wednesday of each week during such Weekly Interest Rate Period, or if such day shall not be a Business Day, then on the next succeeding Business Day. Each Weekly Interest Rate so determined shall apply to the period commencing on Thursday (whether or not a Business Day) and ending on the next succeeding Wednesday (whether or not a Business Day), unless such Weekly Interest Rate Period shall end on a day other than Wednesday, in which event the last Weekly Interest Rate for such Weekly Interest Rate Period shall apply to the period commencing on Thursday (whether or not a Business Day) and ending on the last day of such Weekly Interest Rate Period. The Weekly Interest Rate shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by the Bonds of the applicable Series, would enable the Remarketing Agent to sell the Bonds of such Series on the effective date of such rate at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. In the event that the Remarketing Agent fails to establish a Weekly Interest Rate for any week, then the Weekly Interest Rate for such week shall be the same as the Weekly Interest Rate for the immediately preceding week if the Weekly Interest Rate for such preceding week was determined by the Remarketing Agent. Subject to the provisions of Section 2.10(d), in the event that the Weekly Interest Rate for the immediately preceding week was not determined by the Remarketing Agent, or in the event that the Weekly Interest Rate determined by the Remarketing Agent shall be held to be invalid or unenforceable by a court of

law, then the interest rate for such week shall be equal to the SIFMA Index on the day such Weekly Interest Rate would otherwise be determined as provided herein for such Weekly Interest Rate Period.

(b) *Conversion to Weekly Interest Rate Period*. Subject to Section 2.10, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at a Weekly Interest Rate. Such direction of the Issuer shall specify the proposed effective date of such Conversion to a Weekly Interest Rate Period, which shall be a Business Day not earlier than the later of (a) the 30th day following the second Business Day after receipt by the Trustee of such Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture. In addition, such direction shall be accompanied by a form of notice required by Section 2.06(c) and the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the effective date of the Conversion to the Weekly Interest Rate Period. Upon Conversion of any Series of Bonds to the Weekly Interest Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the terms of this Indenture, the interest rate borne by such Series of Bonds shall be a Weekly Interest Rate as provided in Section 2.06(a).

(c) *Notice of Conversion to Weekly Interest Rate*. Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Weekly Interest Rate Period as provided in Section 2.06(b), the Trustee shall give notice by first class mail of the Conversion of such Bonds to bear interest in a Weekly Interest Rate Period to the Owners of such Bonds not less than 30 days prior to the proposed effective date of such Weekly Interest Rate Period. Such notice shall be in the form provided to the Trustee pursuant to 2.06(b) to state: (i) that the Interest Rate Period on such Bonds will be converted to a Weekly Interest Rate unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Daily Interest Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the applicable Conversion Date; (ii) the proposed Conversion Date to the Weekly Interest Rate Period; and (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Weekly Interest Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

Section 2.07. Term Rate Period.

(a) *Determination of Term Rates*. For each Term Rate Period for a Series of Bonds, (i) the Issuer may by Written Notice to the Trustee delivered in connection with a Term Rate Conversion Date establish one or more Maturity Dates for the Bonds of such Series and Sinking Fund Installments for any maturities of the Bonds of such Series, and (ii) each maturity of the Bonds of such Series shall bear interest at a Term Rate; provided that the Term Rate, Maturity Dates and Sinking Fund Installments for each maturity of Bonds of any Series upon initial issuance of such Bonds, if any, shall be specified in this Indenture or a Supplemental Indenture providing for the issuance of such Series of Bonds. The Term Rate for each maturity of Bonds of a Series

bearing interest in the Term Rate Period shall be determined by the Underwriter or the Remarketing Agent, as applicable, on a Business Day no later than the Issue Date or the Term Rate Conversion Date for such Series of Bonds, as applicable. Subject to the provisions of Section 2.07(d), each Term Rate shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the minimum interest rate which, if borne by the Bonds of the applicable Series and maturity, would enable the Underwriter or the Remarketing Agent, as the case may be, to sell such Bonds and maturity on such date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If, for any reason, with respect to any Series of Bonds being converted to a Term Rate Period, the Term Rate for such Term Rate Period is not determined by the Remarketing Agent on or prior to the first day of such Term Rate Period, then the Interest Rate Period for the Bonds of the applicable Series shall be a Weekly Interest Rate Period and such Weekly Interest Rate Period shall continue until such time as the Interest Rate Period for such Series of Bonds shall have been converted to a Daily Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period as provided herein.

(b) *Conversion to or Continuation of Term Rate Period*. Subject to Section 2.10, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at Term Rates. Such direction of the Issuer shall specify (i) the proposed effective date of the Term Rate Period, which date shall be a Business Day not earlier than the 30th day following receipt by the Trustee of such Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture; (ii) the last day of such Term Rate Period, which day shall be either the day immediately prior to the Final Maturity Date for the applicable Series of Bonds, or a day which both immediately precedes a Business Day and is at least one hundred eighty one (181) days after the effective date of the Term Rate Period; and (iii) with respect to any such Term Rate Period, may specify redemption prices and periods different than those set forth in this Indenture or the applicable Supplemental Indenture providing for the issuance of such Series of Bonds, subject to the Favorable Opinion of Bond Counsel as provided in Section 2.07(b)(iii). In addition, such direction shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date and by a form of the notice to be mailed by the Trustee as provided in Section 2.07(c). Upon Conversion of any Series of Bonds to the Term Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the terms of this Indenture, the interest rate or rates borne by such Series of Bonds shall be Term Rates as provided in Section 2.07(a). The day following the last day of any Term Rate Period for a Series of Bonds shall be a Term Rate Tender Date for such Series of Bonds. After the Final Fixed Rate Conversion Date for a Series of Bonds, the Bonds of such Series shall no longer be subject to or have the benefit of the provisions of Section 4.11 through Section 4.22.

(c) *Notice of Conversion to or Continuation of Term Rate*. Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Term Rate Period as provided in Section 2.07(b), the Trustee shall give notice by first-class mail of the Conversion of such Bonds to bear interest in a (or the establishment of another) Term Rate Period for a Series of Bonds to the Owners of the Bonds of such Series not less than thirty (30) days prior

to the proposed effective date of such Term Rate Period. Such notice shall be in the form provided to the Trustee pursuant to Section 2.07(b) to state: (i) that the Interest Rate Period for such Bonds shall be converted to, or continue to be, a Term Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the Term Rate Conversion Date; (ii) that such Bonds are subject to mandatory tender for purchase on the Term Rate Conversion Date and setting forth the applicable Purchase Price and the place of delivery for purchase of such Bonds; (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

(d) *Sale at Premium or Discount*. Notwithstanding the provisions of Section 2.07(a), the Term Rate for each maturity of any Series of Bonds as initially issued, or the Term Rate for each maturity of any other Series of Bonds upon Conversion to a Term Rate Period, shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the interest rate which, if borne by the Bonds of such Series and maturity, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds of such Series and maturity at a price (without regard to accrued interest) which will result in the lowest net interest cost for the Bonds of such Series and maturity, after taking into account any premium or discount at which the Bonds of such Series and maturity are sold by the Underwriter or the Remarketing Agent, as applicable, *provided* that:

(i) The Underwriter or the Remarketing Agent, as applicable, certifies in writing to the Trustee and the Issuer that the sale of the Bonds of such Series at the interest rate and premium or discount specified by the Underwriter or the Remarketing Agent, as applicable, is expected to result in the lowest net interest cost for such Bonds;

(ii) The Issuer consents in writing to the sale of the Bonds of such Series at such premium or discount;

(iii) In the case of the Bonds of such Series to be sold at a premium, the Underwriter or the Remarketing Agent, as applicable, shall transfer the amount of such premium to the Trustee for deposit into such Funds and Accounts as shall be specified in a Written Direction of the Issuer;

(iv) On or before the date of determination of the Term Rates for the Bonds of such Series, the Issuer delivers to the Trustee and the Remarketing Agent a form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date; and

(v) On or before the Conversion Date, a Favorable Opinion of Bond Counsel shall have been delivered to the Trustee.

Section 2.08. Commercial Paper Interest Rate Periods.

(a) *Determination of CP Interest Terms and CP Interest Term Rates*. During each Commercial Paper Interest Rate Period for a Series of Bonds, each Bond of such Series shall bear interest during each CP Interest Term for such Bond at the CP Interest Term Rate for such Bond. The CP Interest Term and the CP Interest Term Rate for each Bond need not be the same for any two Bonds of such Series, even if determined on the same date. Each of such CP Interest Terms and CP Interest Term Rates for each Bond shall be determined by the Remarketing Agent no later than the first day of each CP Interest Term. Each CP Interest Term shall be for a period of days within the range or ranges announced as possible CP Interest Terms no later than 9:30 a.m., New York City time, on the first day of each CP Interest Term by the Remarketing Agent. Each CP Interest Term for each Bond of the applicable Series shall be a period of not more than two hundred seventy (270) days, determined by the Remarketing Agent to be the period which, together with all other CP Interest Terms for all Bonds of the applicable Series then Outstanding, will result in the lowest overall interest expense on such Bonds over the next succeeding two hundred seventy (270) days. Each CP Interest Term shall end on either a day which immediately precedes a Business Day or on the day immediately preceding the Final Maturity Date for the applicable Series of Bonds. If, for any reason, a CP Interest Term for any Bond cannot be so determined by the Remarketing Agent, or if the determination of such CP Interest Term is held by a court of law to be invalid or unenforceable, then such CP Interest Term shall be thirty (30) days, but if the last day so determined shall not be a day immediately preceding a Business Day, such CP Interest Term shall end on the first day immediately preceding the Business Day next succeeding such last day, or if such last day would be after the day immediately preceding the Final Maturity Date for the applicable Series of Bonds, shall end on the day immediately preceding such Final Maturity Date. In determining the number of days in each CP Interest Term, the Remarketing Agent shall take into account the following factors: (i) existing short-term, tax-exempt market rates and indices of such short-term rates; (ii) the existing market supply and demand for short-term tax-exempt securities; (iii) existing yield curves for short-term and long-term tax-exempt securities for obligations of credit quality comparable to the Bonds of the applicable Series; (iv) general economic conditions; (v) industry economic and financial conditions that may affect or be relevant to the Bonds of the applicable Series; (vi) the CP Interest Terms of other Bonds of the applicable Series; and (vii) such other facts, circumstances and conditions pertaining to financial markets as the Remarketing Agent, in its sole discretion, shall determine to be relevant.

The CP Interest Term Rate for each CP Interest Term for each Bond in a Commercial Paper Interest Rate Period shall be the rate of interest per annum determined by the Remarketing Agent to be the minimum interest rate which, if borne by such Bond, would enable the Remarketing Agent to sell such Bond on the effective date of such rate at a price equal to the principal amount thereof. Subject to the provisions of Section 2.10(d), if, for any reason, a CP Interest Term Rate for any Bond in a Commercial Paper Interest Rate Period is not so established by the Remarketing Agent for any CP Interest Term, or if such CP Interest Term Rate is determined by a court of law to be invalid or unenforceable, then the CP Interest Term Rate for such CP Interest Term shall be a rate per annum equal to the SIFMA Index on the first day of such CP Interest Term.

(b) *Conversion to Commercial Paper Interest Rate Period*. Subject to Section 2.10, at any time, the Issuer, in a Written Direction of the Issuer to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at CP Interest Term Rates. Such Written

Direction of the Issuer shall specify (i) the proposed effective date of the Commercial Paper Interest Rate Period, which shall be a Business Day not earlier than the thirtieth (30th) day following the second Business Day after receipt by the Trustee of such direction, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture. In addition, the Written Direction of the Issuer shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the effective date of the Conversion to the Commercial Paper Interest Rate Period and a form of the notice to be mailed by the Trustee pursuant to Section 2.08(c). Upon Conversion of any Series of Bonds to the Commercial Paper Interest Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the terms of this Indenture, each Bond of such Series shall bear interest at a CP Interest Term Rate applicable to the CP Interest Term then in effect for such Bond, which may differ from the CP Interest Term Rate and CP Interest Term applicable to other Bonds of such Series.

(c) *Notice of Conversion to CP Interest Term Rates*. Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Commercial Paper Interest Rate Period as provided in Section 2.08(b), the Trustee shall give notice by first class mail of the Conversion of such Bonds to bear interest in a Commercial Paper Interest Rate Period to the Owners of the Bonds of the applicable Series not less than thirty (30) days prior to the proposed effective date of such Commercial Paper Interest Rate Period. Such notice shall be in the form provided to the Trustee pursuant to Section 2.08(b) to state: (i) that such Bonds shall bear interest at CP Interest Term Rates unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Commercial Paper Interest Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the applicable Conversion Date; (ii) the proposed Conversion Date to the Commercial Paper Interest Rate Period; and (iii) that Bonds of such Bonds are subject to mandatory tender for purchase on such proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Commercial Paper Interest Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

(d) *Conversion From Commercial Paper Interest Rate Period*. Subject to Section 2.10(b), at any time during a Commercial Paper Interest Rate Period for a Series of Bonds, the Issuer may elect, pursuant to Section 2.05(b), Section 2.06(b), Section 2.07(b) or Section 2.09(c), that such Bonds no longer shall bear interest at CP Interest Term Rates and shall instead bear interest at a Daily Interest Rate, a Weekly Interest Rate, a Term Rate or an Index Rate, as specified in such election. In connection with any such election, and notwithstanding any provision contained in this Section 2.08 to the contrary, each CP Interest Term established by the Remarketing Agent for the Bonds shall end on the same date in order to facilitate the Conversion of such Bonds. The date on which all CP Interest Terms determined for the Bonds end shall be the last day of the then current Commercial Paper Interest Rate Period and the day next succeeding such date shall be the effective date of the Daily Interest Rate Period, Weekly Interest Rate Period, Term Rate Period or Index Rate Period elected by the Issuer for such Bonds.

Section 2.09. Index Rate Periods.

(a) *Determination of Applicable Spread and Applicable Factor*. In connection with the issuance of a Series of Bonds bearing interest in an Index Rate Period, the Applicable Spread and any Applicable Factor applicable to such Series of Bonds for the duration of the initial Index Rate Period for such Series of Bonds shall be specified in this Indenture or in the Supplemental Indenture providing for the issuance of such Series of Bonds. In connection with the Conversion of the Interest Rate Period for a Series of Bonds to an Index Rate Period, the Remarketing Agent shall determine the Applicable Spread and any Applicable Factor applicable to such Bonds for the duration of the applicable Index Rate Period, and shall specify such Applicable Spread and any Applicable Factor selected by the Issuer in the Index Rate Determination Certificate for the applicable Index Rate Period. The Applicable Spread and any Applicable Factor shall be such amount as shall result in the minimum Index Rate (as a rate of interest per annum) which, if borne by the Bonds of the applicable Series as of the first day of the applicable Index Rate Period, under Prevailing Market Conditions, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds on the first day of the applicable Index Rate Period at a price (without regard to accrued interest) equal to 100% of the principal amount thereof.

(b) *Determination of Index Rate*.

(i) During each Index Rate Period for a Series of Bonds, such Bonds shall bear interest at an Index Rate, as specified in the applicable Index Rate Determination Certificate delivered to the Trustee on the first day of such Interest Rate Period. One Business Day prior to the Initial Issue Date of the Series 2023[__]-2 Bonds, the SOFR Index Rate shall be calculated by the Calculation Agent and shall be in effect from and including the Initial Issue Date to (but not including) the first Index Rate Reset Date.

(ii) With respect to each SIFMA Index Rate Period, (A) the Calculation Agent shall determine the SIFMA Index by 4:00 p.m., New York City time, on each Wednesday or, if such Wednesday is not a Business Day, the Business Day immediately succeeding such Wednesday, and (B) the SIFMA Index Rate shall be determined by the Calculation Agent at or before 12:00 noon, New York City time, on each Index Rate Reset Date.

(iii) With respect to each SOFR Index Rate Period, the Calculation Agent shall (A) determine and provide to the Trustee by Electronic Means the SOFR Index by 4:00 p.m., New York City time, on each SOFR Publish Date, and (B) determine and provide to the Trustee by Electronic Means the SOFR Index Rate by 12:00 noon, New York City time, on each SOFR Effective Date.

(iv) During any Index Rate Period, interest shall be computed on the basis of a 365 or 366-day year and actual days elapsed. The Calculation Agent shall calculate and provide by Electronic Means to the Issuer and the Trustee the amount of interest due and payable on each Series of Bonds bearing interest at an Index (A) with respect to a Series of Bonds bearing interest at the SIFMA Index Rate, on or prior to each Interest Payment Date, and (B) with respect to a Series of Bonds bearing interest at the SOFR Index Rate, on each Interest Payment Date, which in case of a Series of Bonds bearing interest at the SOFR Index Rate shall be the SOFR Interest Calculation Date. The amount of interest due

on a Series of Bonds bearing interest at the SIFMA Index Rate on any Interest Payment Date shall be calculated on the basis of the actual number of days in the calendar month immediately preceding such Interest Payment Date. The amount of interest due on a Series of Bonds bearing interest at the SOFR Index Rate on any Interest Payment Date shall be calculated on the basis of the actual number of days in the SOFR Accrual Period immediately preceding such Interest Payment Date. All percentages resulting from any step in the calculation of interest on a Series of Bonds while in an Index Rate Period will be rounded, if necessary, to the nearest one millionth of a percentage point (*i.e.*, to six decimal places, with 0.0000005 rounded upward to 0.000001), and all dollar amounts used in or resulting from such calculation of interest on such Bonds while in an Index Rate Period will be rounded to the nearest cent (with one-half cent being rounded upward).

(v) In determining the interest rate that any Bond shall bear as provided in this Section 2.09, neither the Underwriter nor the Remarketing Agent, as applicable, the Calculation Agent, nor the Trustee shall have any liability to the Issuer or the Holder of such Bond, except for its own negligence or willful misconduct.

(vi) If, during any Index Rate Period, the Index or rate used to determine an Index Rate is not reported by the relevant source at the time necessary for determination of such Index Rate or otherwise ceases to be available, the Issuer or its independent financial advisor (as applicable) shall determine a replacement or substitute Index Rate (as applicable), including any alternative rate and any adjustments, and promptly provide the same via Electronic Means to the Calculation Agent and the Trustee, together with the effective date of the substitute or replacement Index Rate, which substitute or replacement must be consistent with any corresponding substitute or replacement index designated pursuant to the relevant Interest Rate Swap.

(c) *Conversion to or Continuation of Index Rate Period*. Subject to Section 2.10, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at an Index Rate. Such direction of the Issuer shall specify the proposed effective date of the Index Rate Period, which date shall be a Business Day not earlier than the 30th day following the second Business Day after receipt by the Trustee of the Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture, with such right to be exercised by delivery of an Index Rate Continuation Notice; (ii) the last day of such Index Rate Period, which day shall be either the day immediately prior to the Final Maturity Date for the applicable Series of Bonds, or a day which immediately precedes a Business Day. In addition, such direction of the Issuer shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Conversion Date and a form of the notice to be mailed by the Trustee pursuant to Section 2.09(d).

(d) *Notice of Conversion to or Continuation of Index Rate*. Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Index Rate Period as provided in Section 2.09(b), the Trustee shall give notice by first-class mail of the

Conversion of such Bonds to bear interest in a (or the establishment of another) Index Rate Period for a Series of Bonds to the Owners of the Bonds of such Series not less than thirty (30) days prior to the proposed effective date of such Index Rate Period. Such notice shall be in the form provided to the Trustee pursuant to Section 2.09(c) to state: (i) that the Interest Rate Period for such Bonds shall be converted to, or continue to be, an Index Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to an Index Rate Period as provided in Section 2.10(b) or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the Index Rate Conversion Date; (ii) that such Bonds are subject to mandatory tender for purchase on the Index Rate Conversion Date and setting forth the applicable Purchase Price and the place of delivery for purchase of such Bonds; and (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to an Index Rate Period as provided in Section 2.10(b); and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

Section 2.10. Notice of Conversion. (a) In the event that the Issuer shall elect to convert the Interest Rate Period for a Series of Bonds to a Daily Interest Rate Period, a Weekly Interest Rate Period, a Term Rate Period, an Index Rate Period or a Commercial Paper Interest Rate Period as provided in this Article II, then the Written Direction of the Issuer required to be delivered to the Trustee by the applicable provision of this Article II shall be given by registered or certified mail, or by Electronic Means.

(b) Notwithstanding anything in this Article II, in connection with any Conversion of the Interest Rate Period for a Series of Bonds, the Issuer shall have the right to deliver to the Trustee and the Remarketing Agent (if any), on or prior to 10:00 a.m., New York City time, on the third Business Day preceding the effective date of any such Conversion a Written Direction of the Issuer to the effect that the Issuer elects to rescind its election to make such Conversion. If the Issuer rescinds its election to make such Conversion, then the Interest Rate Period shall not be converted and the Bonds of the applicable Series shall continue to bear interest in the Daily Interest Rate Period, Weekly Interest Rate Period, Term Rate Period, Commercial Paper Interest Rate Period or Index Rate Period, as the case may be, as in effect immediately prior to such proposed Conversion, and the Term Rate Tender Date or Index Rate Tender Date, if applicable, for any such Series of Bonds shall also remain unchanged from that in effect immediately prior to such proposed Conversion.

(c) No Conversion of a Series of Bonds from one Interest Rate Period to another, and no continuation or establishment of a new Term Rate Period or Index Rate Period, shall take effect under this Indenture unless each of the following conditions, to the extent applicable, shall have been satisfied:

(i) the Trustee shall have received a Favorable Opinion of Bond Counsel with respect to such Conversion;

(ii) with respect to any Series of Bonds bearing interest at an Index Rate or a Term Rate, no Conversion may occur with respect to such Bonds earlier than (A) the Business Day following the last day of the applicable Interest Rate Period or (B) a day on

which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to Section 4.03(b) or an applicable Supplemental Indenture;

(iii) in the case of any Conversion of the Interest Rate Period for a Series of Bonds to a Daily Interest Rate Period, a Weekly Interest Rate Period or a Commercial Paper Interest Rate Period, prior to the Conversion Date the Issuer shall have appointed a Remarketing Agent and shall have executed and delivered a Remarketing Agreement with respect to such Series of Bonds, and shall have obtained a Liquidity Facility with respect to such Series of Bonds as required by Section 2.11;

(iv) in the case of a Conversion of the Interest Rate Period for a Series of Bonds to an Index Rate Period, prior to the Conversion Date the Issuer shall have appointed a Calculation Agent and executed and delivered a Calculation Agent Agreement with respect to such Series of Bonds; and

(v) the remarketing proceeds available on the Conversion Date shall not be less than the amount required to purchase all of the Bonds of such Series at the applicable Purchase Price (unless the Issuer in its sole discretion elects to transfer to the Trustee the amount of such deficiency on or before the Conversion Date).

(d) If any condition to the Conversion of the Interest Rate Period for a Series of Bonds shall not have been satisfied, then the Interest Rate Period shall not be converted and the Bonds of the applicable Series shall continue in the Daily Interest Rate Period, Weekly Interest Rate Period, Index Rate Period, Term Rate Period, or Commercial Paper Interest Rate Period, as the case may be, as in effect immediately prior to such proposed Conversion (provided, that the period of any such continuing Term Rate Period shall be one year), and the Bonds of such Series shall continue to be subject to mandatory tender for purchase on the date which would have been the effective date of the Conversion as provided in Section 4.14.

Section 2.11. Liquidity Facility. In connection with the issuance of any Series of Bonds, or the Conversion of any Series of Bonds, to bear interest in a Daily Interest Rate Period, a Weekly Interest Rate Period, an Index Rate Period or a Commercial Paper Interest Rate Period, the Issuer shall obtain a Liquidity Facility for such Series of Bonds, and the Issuer may elect to obtain a Liquidity Facility for any Series of Bonds bearing interest in a Term Rate Period or an Index Rate Period. Provisions concerning any Liquidity Facility so obtained with respect to such Series of Bonds shall be set forth in a Supplemental Indenture.

Section 2.12. Provisions Regarding Commodity Swap. (a) In connection with the Clean Energy Project, the Issuer shall enter into the initial Commodity Swap with the Commodity Swap Counterparty. The following shall apply to such Commodity Swap:

(i) The method for the calculation of the Commodity Swap Payments and Commodity Swap Receipts, as applicable, and the scheduled payment dates therefor, are set forth in Schedule III hereto.

(ii) Commodity Swap Payments shall be made by the Trustee (for the account of the Issuer) from the Commodity Swap Payment Fund.

(iii) Commodity Swap Receipts shall be payable directly to the Trustee (for the account of the Issuer) and shall be deposited directly into the Revenue Fund.

(b) The following shall apply with respect to restrictions on replacement and termination of the Commodity Swap:

(i) Except as provided in clause (iii) below, the Issuer agrees that it will not exercise any right to declare an early termination date under the Commodity Swap unless either (A) the Issuer has entered into a replacement Commodity Swap in accordance with clause (ii) or (iii) below, and such replacement Commodity Swap will be effective as of such early termination date and cover price exposure from and after such early termination date, or (B) the Issuer causes or permits the termination of the Energy Purchase Agreement prior to or as of such early termination date.

(ii) The Issuer may replace the Commodity Swap (and any related guaranty of the Commodity Swap Counterparty's obligations thereunder) with a similar agreement for the same hedging purposes with an alternate Commodity Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation.

(iii) If the Commodity Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) the Issuer may, subject to clause (i) above, terminate the Commodity Swap if the Issuer has the right to do so, and (B) the Issuer may enter into a replacement Commodity Swap with an alternate Commodity Swap Counterparty without Rating Confirmation, but only if the replacement Commodity Swap is identical in all material respects to the existing Commodity Swap, except for the identity of the Commodity Swap Counterparty, and (1) the replacement Commodity Swap Counterparty (or its credit support provider under the Commodity Swap) is then rated at least the lower of (a) the credit rating of the Energy Supplier, or if the Energy Supplier is not rated, the guarantor of the Energy Supplier or (b) the rating then assigned by each Rating Agency to the Bonds, or (2) the Commodity Swap Counterparty provides such collateral and security arrangements as the Issuer shall determine to be necessary, and (3) in either case, the replacement Commodity Swap Counterparty enters into a replacement Energy Supplier Custodial Agreement with the Energy Supplier and the Custodian that is identical in all material respects to the existing Energy Supplier Custodial Agreement.

(c) The following shall apply with respect to the mandatory termination of the Commodity Swap and Energy Purchase Agreement:

(i) Upon the occurrence of a Commodity Swap Mandatory Termination Event, the Issuer shall (A) notify the Energy Supplier of such event pursuant to Section 17.5(a) of the Energy Purchase Agreement, and (B) in accordance with Section 17.5(a) of the Energy Purchase Agreement, use its good faith efforts to replace the Commodity Swap with an alternate Commodity Swap, subject to the conditions of subsection (b)(ii) above, during the 120 day replacement period contemplated by Section 17.5(a) of the Energy Purchase Agreement or any period that the Custodian, under the terms of the Custodial Agreements, is making payments (an "*Alternate Replacement Period*"), *provided* that any such Alternate

Replacement Period shall end on the earlier of the date on which the Custodian ceases making payments under the Custodial Agreements and the date of the sixth consecutive monthly payment by the Custodian.

(ii) If the Issuer is unable to enter into an alternate Commodity Swap pursuant to clause (i)(B) above during such 120-day replacement period or Alternate Replacement Period, as applicable, the Issuer shall (A) designate an Early Termination Date for the Energy Purchase Agreement in accordance with Section 17.4(b) of the Energy Purchase Agreement, with such Early Termination Date occurring immediately at the end of such replacement period, and (B) unless the Commodity Swap has been terminated automatically pursuant to Section 6(a) thereof, designate an early termination date for the Commodity Swap pursuant to Section 6(a) thereof with such early termination date occurring concurrently with the Early Termination Date under the Energy Purchase Agreement described in clause (A) above.

(iii) A "*Commodity Swap Mandatory Termination Event*" occurs if the Commodity Swap becomes terminable by the Issuer pursuant to Part 1(h)(ii) (failure to pay after cure period) of the Schedule to the Commodity Swap.

Section 2.13. Provisions Regarding Interest Rate Swap. (a) In connection with the issuance of any Variable Rate Series of Bonds, or the Conversion of any Series of Bonds, to bear interest in a Daily Interest Rate Period, a Weekly Interest Rate Period, an Index Rate Period or a Commercial Paper Interest Rate Period, the Issuer shall enter into an Interest Rate Swap with an Interest Rate Swap Counterparty. The following shall apply to the Interest Rate Swap:

(i) The method for the calculation of the Interest Rate Swap Payments and Interest Rate Swap Receipts, as applicable, and the scheduled payment dates therefor are set forth in the Interest Rate Swap;

(ii) Interest Rate Swap Payments shall be made by the Trustee (for the account of the Issuer) from the Debt Service Account on parity with principal and interest payments on Bonds; and

(iii) Interest Rate Swap Receipts shall be payable directly to the Trustee (for the account of the Issuer) and shall be deposited directly into the Debt Service Account.

(b) The following shall apply with respect to restrictions on replacement and termination of the Interest Rate Swap:

(i) The Issuer agrees that it will not exercise any right to declare an early termination date under the Interest Rate Swap unless either (A) the Issuer has entered into a replacement Interest Rate Swap in accordance with clause (ii) and (iii) below, and such replacement Interest Rate Swap will be effective as of such early termination date and cover interest rate exposure from and after such early termination date, or (B) in all other cases, the Energy Purchase Agreement will terminate prior to or as of such early termination date.

(ii) The Issuer may replace the Interest Rate Swap (and any related guaranty of the Interest Rate Swap Counterparty's obligations thereunder) with a similar agreement for the same hedging purposes with an alternate Interest Rate Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation.

(iii) If the Interest Rate Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) the Issuer may, subject to clause (i) above, terminate the Interest Rate Swap if the Issuer has the right to do so, and (B) the Issuer may enter into a replacement Interest Rate Swap with an alternate Interest Rate Swap Counterparty without Rating Confirmation, but only if the replacement Interest Rate Swap is identical in all material respects to the existing Interest Rate Swap, except for the identity of the Interest Rate Swap Counterparty, and (1) the alternate Interest Rate Swap Counterparty (or its credit support provider under the Interest Rate Swap) is then rated at least the lower of (a) the credit rating of the Energy Supplier, or if the Energy Supplier is not rated, the guarantor of the Energy Supplier or (b) at least as highly as the rating then assigned by each Rating Agency to the Bonds, or (2) the Interest Rate Swap Counterparty provides such collateral and security arrangements as the Issuer shall determine to be necessary.

Section 2.14. CPI Index Rate Periods. The provisions of this Section 2.14 shall apply to Index Rate Bonds bearing interest in a CPI Index Rate Period.

(a) *Determination of Applicable Spread*. In connection with the issuance of a Series of Bonds bearing interest at a CPI Index Rate, or the Conversion of the Interest Rate Period for a Series of Bonds to a CPI Index Rate Period, the Underwriter or Remarketing Agent, as applicable, shall determine the Applicable Spread for such Bonds for the duration of the applicable CPI Index Rate Period, and such Applicable Spread shall be specified in the Supplemental Indenture or Index Rate Determination Certificate for the applicable CPI Index Rate Period. The Applicable Spread for a CPI Index Rate Period shall be such amount as shall result in the minimum interest rate(s) which, if borne by the Bonds of the applicable Series as of the first day of the applicable CPI Index Rate Period, under Prevailing Market Conditions, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds at a price equal to 100% of the aggregate principal amount of such Bonds on the first day of the applicable CPI Index Rate Period.

(b) *Determination of CPI Index Rate*.

(i) During any CPI Index Rate Period for a Series of Bonds, such Bonds shall bear interest at the CPI Index Rate, determined using the CPI Index Rate Formula and the Applicable Spread, as specified in the applicable Index Rate Determination Certificate delivered to the Trustee on the first day of such CPI Index Rate Period.

(ii) The Calculation Agent shall by noon, New York time, on each CPI Index Rate Reset Date (or, if such CPI Index Rate Reset Date is not a Business Day, on the next succeeding Business Day) determine the CPI Index Rate for the CPI Interest Rate Period that begins on such CPI Index Rate Reset Date. The Calculation Agent shall also calculate and provide to the Issuer and the Trustee the amount of interest due and payable on each Interest Payment Date for the applicable Series of Bonds at least two Business Days prior

to such Interest Payment Date. The Calculation Agent shall furnish each CPI Index Rate so determined to the Issuer and the Trustee by Electronic Means not later than each CPI Index Rate Reset Date. Upon the written request of any Holder, the Trustee shall confirm the CPI Index Rate then in effect. All percentages resulting from any step in the calculation of interest on a Series of Bonds while in a CPI Index Rate Period will be rounded, if necessary, to the nearest hundred thousandth of a percentage point (*i.e.*, to five decimal places) with five millionths of a percentage point rounded upward, and all dollar amounts used in or resulting from such calculation of interest on such Bonds while in an Index Rate Period will be rounded to the nearest cent (with one-half cent being rounded upward).

(iii) During any CPI Index Rate Period, interest shall be computed on the basis of a 360-day year of twelve 30 day calendar months.

(iv) In determining the interest rate that any Bond shall bear as provided in this Section 2.14, neither the Underwriter nor the Remarketing Agent, as applicable, the Calculation Agent, nor the Trustee shall have any liability to the Issuer or the Holder of such Bond, except for its negligence or willful misconduct.

(v) If the CPI is not reported on Bloomberg CPURNSA for a particular month by 11:00 a.m. on a CPI Index Rate Reset Date, but the CPI has otherwise been published by the BLS, the Calculation Agent will determine the CPI as published by the BLS for such month using a source it deems to be accurate and appropriate. If the CPI is not published by the BLS for a particular month by 11:00 a.m. on a CPI Index Rate Reset Date, the Calculation Agent will determine the CPI with reference to an index number based on the last twelve-month change in the CPI available and announced by the Department of the Treasury for its Inflation-Indexed Securities as described at 62 Federal Register 846-874 (January 6, 1997) (the "*Treasury Inflation-Indexed Securities Regulation*") or, if no such index number is announced, in accordance with general market practice at the time.

(vi) In calculating CPIt and CPIt-12, the Calculation Agent will use the most recently available value of the CPI determined as described above on the applicable Interest Reset Date, even if such value has been adjusted from a prior reported value for the relevant month. However, if a value of CPIt and CPIt-12 used by the Calculation Agent on any Interest Reset Date to determine the interest rate on the CPI Bonds (an "*Initial CPI Value*") is subsequently revised by the BLS, the Calculation Agent will continue to use the Initial CPI Value for all purposes hereunder, and the interest rate on the related CPI Index Rate Reset Date, as determined based upon the Initial CPI Value, will not be revised.

(c) *CPI Index Rate Continuation*.

(i) On any Mandatory Purchase Date pursuant to Section 4.13 and unless the Issuer has given notice with respect to the Conversion of the Bonds to an Interest Rate Period other than the CPI Index Rate Period, the Issuer may establish a new CPI Index Rate Period and a new CPI Index Rate for the Bonds with such right to be exercised by delivery of an Index Rate Continuation Notice to the Trustee no less than 30 days prior to the effective date of the new CPI Index Rate Period. The CPI Index Rate Continuation Notice shall be accompanied by a letter of Bond Counsel to the effect that Bond Counsel

expects to be able to deliver a Favorable Opinion of Bond Counsel on the effective date of the new CPI Index Rate Period.

(ii) Any establishment of a new CPI Index Rate and CPI Index Rate Period for a Series of Bonds pursuant to paragraph (i) above must comply with the following conditions:

(A) the first day of such new CPI Index Rate Period must be a Mandatory Purchase Date for such Bonds pursuant to the provisions of Section 4.13, and such Bonds shall be required to be tendered for purchase on such date;

(B) the first day of such new CPI Index Rate Period must be a Business Day; and

(C) no new CPI Index Rate shall become effective unless (x) the Favorable Opinion of Bond Counsel referred to in paragraph (i) above is delivered on the first day of the new CPI Index Rate Period and (y) there is no Failed Remarketing on the Mandatory Purchase Date on which such new CPI Index Rate Period is to become effective.

(iii) Upon receipt by the Trustee of a CPI Index Rate Continuation Notice from an Authorized Officer, as soon as practicable, but in any event not less than 10 Business Days prior to the first day of the proposed CPI Index Rate Period, the Issuer (or any dissemination agent appointed by the Issuer) shall give notice by first class mail or by Electronic Means via EMMA to the Holders of the Bonds of the applicable Series, which notice shall state in substance:

(A) that a new CPI Index Rate Period and CPI Index Rate is to be established for such Bonds and the proposed effective date of such new CPI Index Rate Period (which date shall be the Mandatory Purchase Date for such Bonds pursuant to Section 4.13), and that such new CPI Index Rate Period and CPI Index Rate will become effective on such date if the conditions specified in this Section 2.14 are satisfied on or before such date;

(B) that all Bonds of the applicable Series are subject to mandatory tender for purchase on the applicable Mandatory Purchase Date pursuant to Section 4.13 (whether or not the proposed new CPI Index Rate Period becomes effective on such date) at the Purchase Price, which shall be specified therein;

(C) the first day of the new CPI Index Rate Period;

(D) that the new CPI Index Rate Period and CPI Index Rate for the Bonds shall not be established unless a Favorable Opinion of Bond Counsel is delivered to the Trustee on the first day of the new CPI Index Rate Period and no Failed Remarketing occurs on such date;

(E) the CUSIP numbers or other identification information of the Bonds of the applicable Series; and

(F) that, to the extent that there shall be on deposit with the Trustee on the first day of the new CPI Index Rate Period an amount of money sufficient to pay the Purchase Price thereof, all the Bonds not delivered to the Trustee on or prior to such date shall be deemed to have been properly tendered for purchase and shall cease to constitute or represent a right on behalf of the Holder thereof to the payment of principal thereof or interest thereon and shall represent and constitute only the right to payment of the Purchase Price on deposit with the Trustee, without interest accruing thereon after such date.

(d) *End of CPI Index Rate Period*. In the event the Issuer has not given a CPI Index Rate Continuation Notice or other Written Notice reasonably acceptable to the Trustee with respect to the Conversion of Bonds to an Interest Rate Period other than a CPI Index Rate Period, in either case at the time required by this Indenture, or if the conditions to the effectiveness of a new CPI Index Rate Period and new CPI Index Rate set forth above are not satisfied, including as a result of the Remarketing Agent's failure to establish a CPI Index Rate as herein provided, then the Bonds of the applicable Series shall be purchased on the applicable Mandatory Purchase Date pursuant to Section 4.13 and a Failed Remarketing shall be deemed to have occurred and the Bonds shall not be remarketed.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. Medium of Payment; Form and Date; Letters and Numbers. (a) The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(b) The Bonds may be issued only in the form of fully registered Bonds without coupons, in Authorized Denominations. The Bonds shall be in substantially the form set forth in *Exhibit A* hereto, and may be printed, engraved, typewritten or otherwise produced.

(c) Unless the Issuer shall otherwise direct, the Bonds shall be numbered from one upward, with a separate designation for each Series.

Section 3.02. Legends. The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Issuer prior to the authentication and delivery thereof.

Section 3.03. Execution and Authentication. (a) The parties agree that the Electronic Signature of a party to this Indenture, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to this Indenture. The

parties agree that any Electronically Signed document (including this Indenture) shall be deemed (i) to be "written" or "be in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "Electronic Signature" or "Electronically Signed" means a manually signed original signature that is then transmitted by Electronic Means and containing, or to which there is affixed, an Electronic Signature.

(b) The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chair or any other Authorized Officer of the Issuer, and attested by the manual or facsimile signature of the Secretary of the Issuer or any other Authorized Officer. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the Persons who signed such Bonds had not ceased to hold such offices. Any Bond may be signed on behalf of the Issuer by such Persons as at the time of the execution of such Bonds shall be duly authorized or hold the proper office in the Issuer, although at the date borne by the Bonds such Persons may not have been so authorized or have held such office.

(c) The Bonds shall bear thereon a certificate of authentication, in the form set forth in *Exhibit A* hereto, executed manually by the Trustee. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any Bond executed on behalf of the Issuer shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Holder thereof is entitled to the benefits of this Indenture.

(d) The parties agree that the Electronic Signature of a party to this Indenture, including all acknowledgements, authorizations, directions, waivers and consents thereto (or any amendment or supplement thereto) shall be as valid as an original signature of such party and shall be effective to bind such party to this Indenture. The parties agree that any Electronically Signed Document (including this Indenture) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. For purposes hereof, "Electronic Signature" means a manually signed original signature that is then transmitted by Electronic Means; "transmitted by Electronic Means" means sent in the form of a facsimile or sent via the Internet as a pdf (portable document format) or other replicating image attached to an e-mail message; and, "Electronically Signed Document" means a document transmitted by Electronic Means and containing, or to which there is affixed, an Electronic Signature. Paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of Electronically Signed Documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Section 3.04. Exchange, Transfer and Registry. (a) The Bonds shall be registered and transferred only upon the books of the Issuer, which shall be held and controlled by the Bond Registrar and kept for such purposes at the designated corporate trust office of the Bond Registrar, and may be transferred by the registered owner thereof in person or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer, in form and with guaranty of signature satisfactory to the Bond Registrar duly executed by the registered owner or its duly authorized attorney and in compliance with the applicable terms of this Indenture. The transferor shall also provide, or cause to be provided, to the Trustee all information reasonably required by the Trustee to allow it to comply with any applicable federal, state or local tax reporting obligations, including, without limitation, any cost-basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on such information provided to it and shall have no responsibility to verify or ensure the accuracy of such information. Upon the registration of transfer of any Bond, the Issuer shall issue in the name of the transferee a new Bond or Bonds of the same Series, aggregate principal amount and maturity as the surrendered Bond.

(b) The registered owner of any Bond or Bonds of one or more denominations shall have the right to exchange such Bond or Bonds for a new Bond or Bonds of any denomination then authorized for such Bond or Bonds of the same Series, aggregate principal amount and maturity of the surrendered Bond or Bonds. Such Bond or Bonds shall be exchanged by the Issuer for a new Bond or Bonds upon the request of the registered owner thereof in person or by its attorney duly authorized in writing, upon surrender of such Bond or Bonds together with a written instrument requesting such exchange, in form satisfactory to the Bond Registrar duly executed by the registered owner or its duly authorized attorney.

(c) The Issuer and each Fiduciary may deem and treat the Person in whose name any Bond shall be registered upon the Bond registration books maintained by the Bond Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer nor any Fiduciary shall be affected by any notice to the contrary.

Section 3.05. Regulations With Respect to Exchanges and Registration of Transfers. In all cases in which the privilege of exchanging or registering the transfer of Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges or registration of transfer shall forthwith be delivered to the Trustee and cancelled or retained by the Trustee. Prior to every such exchange or registration of transfer of Bonds, whether temporary or definitive, the Trustee or the Bond Registrar may require the Holder to pay an amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Every applicable person that transfers Bonds in any such exchange or transfer shall also timely provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligation, including without limitation any cost-basis reporting obligations under Section 6045 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information. Unless otherwise

provided in a Supplemental Indenture, neither the Trustee nor the Bond Registrar shall be required (a) to register the transfer or exchange of Bonds for the period next preceding any Interest Payment Date for the Bonds, beginning with the Regular Record Date for such Interest Payment Date and ending on such Interest Payment Date, or for the period next preceding any date for the proposed payment of Defaulted Interest with respect to such Bonds beginning with the Special Record Date for the date of such proposed payment and ending on the date of such proposed payment, (b) to register the transfer or exchange of Bonds for a period beginning 15 days before the mailing of any notice of redemption of such Bonds and ending on the day of such mailing, or (c) to register the transfer or exchange of any Bonds called for redemption. Every Person that transfers Bonds shall timely provide or cause to be timely provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost-basis reporting obligations under Section 6045 of the Internal Revenue Code and regulations promulgated thereunder. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 3.06. Bonds Mutilated, *Destroyed*, *Stolen or Lost*. If any Bond becomes mutilated or is lost, stolen or destroyed, the Issuer may execute and the Trustee shall authenticate and deliver a new Bond of like Series, date of issue, maturity date, principal amount and interest rate per annum as the Bond so mutilated, lost, stolen or destroyed, *provided* that (a) in the case of such mutilated Bond, such Bond is first surrendered to the Trustee, (b) in the case of any such lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction in form satisfactory to the Trustee together with indemnity satisfactory to the Issuer and the Trustee, (c) all other reasonable requirements of the Issuer and the Trustee are complied with, and (d) expenses in connection with such transaction are paid by the Holder. Any Bond surrendered for registration or transfer shall be cancelled. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Issuer, whether or not the Bonds so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Indenture, in any moneys or securities held by the Issuer or any Fiduciary for the benefit of the Bondholders.

Section 3.07. Temporary Bonds. (a) Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 3.03, and upon the request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Issuer at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds for exchange and the cancellation of such surrendered temporary Bonds, the Trustee shall authenticate and, without service charge to the Holder thereof (except a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto), deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

(b) All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith cancelled by the Trustee.

Section 3.08. Payment of Interest on Bonds; Interest Rights Preserved. Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Regular Record Date.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (hereinafter, "*Defaulted Interest*") shall forthwith cease to be payable to the Person who was the registered owner on the relevant Regular Record Date; and such Defaulted Interest shall be paid by the Issuer to the Persons in whose names the Bonds are registered at the close of business on a date (hereinafter, the "*Special Record Date*") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Bond Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Issuer shall deposit with the Paying Agents an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to and approved in writing by the Paying Agents for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Section provided. Thereupon the Bond Registrar shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days or less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Registrar of the written notice of the proposed payment. The Bond Registrar shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder at its address as it appears upon the registry books, not less than 10 days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon registration or transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

Section 3.09. Book Entry System; Appointment of Securities Depository. All Bonds shall be registered in the name of Cede & Co., as nominee for DTC, as Securities Depository, and held in the custody or for the account of the Securities Depository. A single certificate will be issued and delivered to the Securities Depository for each maturity of Bonds, and the Beneficial Owners will not receive physical delivery of Bond certificates except as provided in this Indenture. For so long as the Securities Depository shall continue to serve as securities depository for the Bonds as provided herein, all transfers of Beneficial Ownership interests will be made by book entry only, and no investor or other party purchasing, selling or otherwise transferring Beneficial Ownership of Bonds is to receive, hold or deliver any Bond certificate. In connection with any proposed transfer outside the Book Entry System, the Issuer or the Securities Depository shall provide, or cause to be provided, to the Trustee all information reasonably required by the Trustee to allow it to comply with any applicable federal, state or local tax reporting obligations, including, without limitation, any cost-basis reporting obligations under Internal Revenue Code Section 6045. The

Trustee may rely on such information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

The Issuer may, with Written Notice to the Trustee but without the consent of any Bondholders, appoint a successor Securities Depository and enter into an agreement with the successor Securities Depository, to establish procedures with respect to a Book Entry System for the Bonds not inconsistent with the provisions of this Indenture. Any successor Securities Depository shall be a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended.

The Issuer and the Trustee may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book Entry System with respect to the Bonds, and (ii) a certificate of any such Participant as to the identity of, and the respective principal amount of the Bonds beneficially owned by the Beneficial Owners.

Whenever, during the term of the Bonds, the Beneficial Ownership of any Series thereof is determined by a book entry at the Securities Depository, the requirements in this Indenture of holding, delivering or transferring such Bonds shall be deemed modified to require the appropriate Person to meet the requirements of the Securities Depository as to registering or transferring the book entry to produce the same effect. Any provision hereof permitting or requiring delivery of the Bonds shall, while such Bonds are in such Book Entry System, be satisfied by the notation on the books of the Securities Depository in accordance with applicable state law. Notwithstanding the foregoing, the Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any security (including any transfers between or among Securities Depository Participants or Beneficial Owners) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

Except as otherwise specifically provided herein with respect to the rights of Participants and Beneficial Owners, when a Book Entry System is in effect, the Issuer and the Trustee may treat the Securities Depository (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal, Redemption Price or Purchase Price of and interest on such Bonds or portion thereof to be redeemed or purchased, of giving any notice permitted or required to be given to the Bondholders under this Indenture and of voting, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. Neither the Issuer nor the Trustee will have any responsibility or obligations to the Securities Depository, any Participant, any Beneficial Owner or any other Person which is not shown on the bond register, with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount, Redemption Price or Purchase Price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of any of the Bonds; or (e) any other action taken by the Securities Depository or any Participant. The Trustee shall pay all principal or Redemption Price of and interest on the Bonds registered in the name of Cede only to or "upon the order of" the Securities Depository (as that

term is used in the Uniform Commercial Code as adopted in the State and New York), and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal, Redemption Price or purchase price of and interest on such Bonds to the extent of the sum or sums so paid.

The Book Entry System may be discontinued by the Trustee and the Issuer, at the Written Direction and expense of the Issuer, and the Issuer and the Trustee will cause the delivery of Bond certificates to such Beneficial Owners of the Bonds and registered in the names of such Beneficial Owners as shall be specified to the Trustee by the Securities Depository in writing, under the following circumstances:

(i) The Securities Depository determines to discontinue providing its service with respect to any Bonds and no successor Securities Depository is appointed as described above. Such a determination may be made at any time by giving 30 days' written notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law; or

(ii) The Issuer determines, with written notice to the Trustee, not to continue the Book Entry System through a Securities Depository for the Bonds.

When the Book Entry System is not in effect, all references herein to the Securities Depository shall be of no further force or effect.

In connection with any proposed transfer outside the Book Entry System of the Securities Depository, the Securities Depository and the Issuer shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation cost-basis reporting obligations under Section 6045 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 3.10. Subsidy Payments. In the event that one or more Series of Bonds are issued which qualify the Issuer to receive Subsidy Payments and the Issuer, in a Supplemental Indenture, pledges such Subsidy Payments to the repayment of the principal of, and interest on, the Bonds, then, to the extent such Subsidy Payments are received by the Trustee, they shall constitute Revenues under the Indenture.

Section 3.11. Limitation of Liability of the Issuer. Notwithstanding anything to the contrary herein or in the Bonds, all obligations of the Issuer to make payments of any kind pursuant to this Indenture are special, limited obligations of the Issuer, payable solely from, and secured solely by, the Trust Estate as and to the extent provided herein. The Issuer shall not be required to advance any moneys derived from any source other than the Revenues and other assets pledged under this Indenture for any of the purposes in this Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of this Indenture. Neither the faith and credit of the Issuer nor the taxing power of the State or any political subdivision thereof is pledged to payments pursuant to this Indenture or the Bonds. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or

actions, of any conceivable kind on any conceivable theory, under or by reasons of or in connection with this Indenture or the Clean Energy Project, except solely to the extent Revenues are received for the payment thereof.

ARTICLE IV

REDEMPTION OF BONDS AND TENDER PROVISIONS

Section 4.01. Extraordinary Redemption. (a) The Bonds shall be subject to mandatory redemption prior to maturity in whole, and not in part, on the first day of the Month following the Early Termination Payment Date, which redemption date in the case of a Failed Remarketing will be the same day as the next-occurring Mandatory Purchase Date, at the following Redemption Prices:

(i) in the case of a Series of Bonds bearing interest in a Term Rate Period (including the Series 2023[__]-1 Bonds), the Amortized Value thereof, and

(ii) in the case of a Series of Variable Rate Bonds (including the Series 2023[__]-2 Bonds), 100% of the principal amount thereof,

plus, in each case, accrued and unpaid interest to the redemption date.

(b) The Issuer shall (i) provide the Trustee with Written Notice of the Early Termination Payment Date as provided in Section 7.12(b), and (ii) as of the first day of the Month prior to a Mandatory Purchase Date, direct the Trustee to send a conditional notice of redemption pursuant to Section 4.04 in the event that a Failed Remarketing may occur.

Section 4.02. Sinking Fund Redemption. (a) The Series 2023[__]-1 Bonds maturing on [_____], 20[__] shall be subject to mandatory redemption prior to their stated maturity in part (by lot) from Sinking Fund Installments, at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption on the following dates and in the following amounts:

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
	$		$

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT

---

* Stated Maturity

(b) The Series 2023[__]-2 Bonds maturing on [_____], 20[__] shall be subject to mandatory redemption prior to their stated maturity in part (by lot) from Sinking Fund Installments, at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest to the date of redemption on the following dates and in the following amounts:

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT
	$		$

REDEMPTION DATE	PRINCIPAL AMOUNT	REDEMPTION DATE	PRINCIPAL AMOUNT

* Stated Maturity

Section 4.03. Optional Redemption. (a) The Series 2023[__]-1 Bonds are subject to redemption at the option of the Issuer in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and by lot within a maturity) on any date prior to [_____] 1, 20[__] at a Redemption Price, calculated by a quotation agent selected by the Issuer, equal to the greater of:

(i) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Series 2023[__]-1 Bond to be redeemed from and including the date of redemption (not including any portion of the interest accrued and unpaid as of the redemption date) to the earlier of the stated maturity date of such Series 2023[__]-1 Bond or the Initial Mandatory Purchase Date, discounted to the date of redemption on a semiannual basis at a discount rate equal to the Applicable Tax Exempt Municipal Bond Rate for such Series 2023[__]-1 Bonds minus [___]% per annum, and

(ii) the Amortized Value thereof;

in each case plus accrued and unpaid interest to the date of redemption.

(b) The Series 2023[__]-1 Bonds maturing on or after the Initial Mandatory Purchase Date are subject to redemption at the option of the Issuer in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and by lot within a maturity) on any date on or after [_____, 20[__] at a Redemption Price selected by the Issuer, equal to the Amortized Value thereof as of the first day of the month of redemption (expressed as a percentage of the principal amount of the Series 2023[__]-1 Bonds to be redeemed), as follows:

	[_____], 20[__]	[_____], 20[__]
REDEMPTION PERIOD (DATES INCLUSIVE)	MATURITY REDEMPTION PRICE	MATURITY REDEMPTION PRICE

in each case plus accrued and unpaid interest to the date of redemption.

(c) The Series 2023[__]-2 Bonds are subject to optional redemption by the Issuer in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and at

random within a maturity), on any day on or after the first day of the third month preceding the Initial Mandatory Purchase Date for the Series 2023[__]-2 Bonds, at a Redemption Price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest to the date of redemption. In lieu of redeeming the Series 2023[__]-2 Bonds pursuant to this provision, the Trustee may, upon the Written Direction of the Issuer, use such funds as may be available by the Issuer or as are otherwise available under this Indenture to purchase such Series 2023[__]-2 Bonds on the applicable redemption date at a Purchase Price equal to the applicable Redemption Price of such Series 2023[__]-2 Bonds. Any Series 2023[__]-2 Bonds so purchased may be remarketed in a new Interest Rate Period.

(d) The Issuer shall provide Written Notice of the identity of the quotation agent to the Trustee.

(e) The Series 2023[_] Bonds shall also be subject to redemption at the option of the Issuer, as provided in a Supplemental Indenture executed or Interest Rate Determination Certificate delivered in connection with a Conversion of the Bonds.

(f) For so long as a Series of Bonds is bearing interest in an Index Rate Period, the Bonds of such Series are subject to optional redemption by the Issuer, in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and at random within a maturity), on any Business Day on or after the first Business Day of the third month preceding the Index Rate Tender Date for such Series of Bonds at a Redemption Price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest to the date of redemption.

(g) For so long as a Series of Bonds is bearing interest in a Daily Interest Rate Period or a Weekly Interest Rate Period, the Bonds of such Series are subject to optional redemption by the Issuer in whole or in part (in such amounts and by such maturities as may be specified by the Issuer and at random within a maturity) on any Business Day at a Redemption Price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest to the date of redemption.

(h) For so long as a Series of Bonds is bearing interest in a Commercial Paper Interest Rate Period, each Bond of such Series is subject to optional redemption by the Issuer on the day succeeding the last day of any CP Interest Term for such Bond at a Redemption Price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest to the date of redemption.

(i) Notwithstanding anything to the contrary contained herein, in connection with the Conversion of a Series of Bonds from one Interest Rate Period to another or the establishment of a new Term Rate Period or Index Rate Period for a Series of Bonds, the Issuer may, in the Written Direction to the Trustee delivered in connection with such Conversion or establishment of a new Term Rate Period or Index Rate Period, designate additional or different terms upon which the Bonds of such Series will be subject to optional redemption during the new Interest Rate Period for such Series of Bonds if such additional or different terms of optional redemption are approved by Bond Counsel.

(j) In lieu of redeeming Series 2023[__]-1 Bonds pursuant to this Section 4.03, the Trustee may, upon the Written Direction of the Issuer, use such funds as may be available by the Issuer or as are otherwise available hereunder to purchase such Series 2023[__]-1 Bonds on the applicable redemption date at a Purchase Price equal to the applicable Redemption Price of such Series 2023[__]-1 Bonds. Any Series 2023[__]-1 Bonds so purchased may be remarketed in a new Interest Rate Period or may be cancelled by the Trustee, in either case as set forth in the Written Direction of the Issuer.

Section 4.04. Redemption Notice. (a) When the Trustee receives Written Notice from the Issuer of its election or direction to optionally redeem Bonds pursuant to Section 4.06, the Trustee shall give notice, in the name of the Issuer, or when redemption of Bonds is authorized or required pursuant to Section 4.01 or other than at the election or direction of the Issuer, pursuant to Section 4.07 the Trustee shall give notice, in the name of the Issuer, of the redemption of such Bonds by first class mail, postage prepaid, to the registered owner of each Bond being redeemed, at its address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee in writing for that purpose, as of the Regular Record Date, as follows:

(i) for any redemption of the Bonds pursuant to Section 4.01, not less than 15 days prior to the redemption date;

(ii) for redemptions of Bonds bearing interest in a Term Rate Period, pursuant to Sections 4.02 and 4.03, not less than 30 days prior to the redemption date;

(iii) for redemptions of Variable Rate Bonds pursuant to Sections 4.02 4.03, not less than 15 days prior to the redemption date.

A notice of redemption of the Series 2023[_] Bonds (A) pursuant to clause (iii) above may include a statement that, if the Series 2023[_] Bonds are not redeemed for any reason, the Series 2023[_] Bonds shall be subject to mandatory tender for purchase on the Initial Mandatory Purchase Date, and (B) pursuant to clause (i) or clause (iii) above may be combined with notice of the mandatory tender of the Series 2023[_] Bonds on the Initial Mandatory Purchase Date pursuant to Section 4.16, subject to the condition set forth in Section 4.16(b).

(b) In the event that the Bonds may be subject to extraordinary redemption as a result of a Failed Remarketing that could occur if the Trustee has not received the Purchase Price of the Bonds by noon New York City time on the fifth Business Day preceding a Mandatory Purchase Date, a notice of extraordinary redemption of the Bonds pursuant to this Section 4.04 may be a conditional notice of redemption, delivered in each case not less than 15 days prior to such Mandatory Purchase Date, stating that: (a) such redemption shall be conditioned upon the Trustee's failure to receive, by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Purchase Price of the Bonds required to be purchased on such Mandatory Purchase Date, and (b) if the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Bonds shall be purchased pursuant to Section 4.13 or Section 4.14 hereof on such Mandatory Purchase Date rather than redeemed. If the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding

such Mandatory Purchase Date, the Trustee shall withdraw such conditional notice of redemption prior to such Mandatory Purchase Date and the Bonds shall be purchased pursuant to Section 4.13 or Section 4.14 hereof on such Mandatory Purchase Date rather than redeemed.

(c) Each notice of redemption shall identify the Bonds to be redeemed and shall state (i) the redemption date, (ii) the Redemption Price or the manner in which it will be calculated, (iii) that the Bonds called for redemption must be surrendered to collect the Redemption Price, (iv) the address at which the Bonds must be surrendered, and (v) that interest on the Bonds called for redemption ceases to accrue on the redemption date.

(d) With respect to any notice of optional redemption of Bonds, unless upon the giving of such notice such Bonds shall be deemed to have been paid within the meaning of Section 12.01 of this Indenture, such notice shall state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Bonds to be redeemed, and that if such money shall not have been so received said notice shall be of no force and effect, and the Issuer shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

(e) Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of any Bonds.

Section 4.05. Bonds Redeemed in Part. Upon surrender of a Bond redeemed in part, the Issuer will execute and the Trustee will authenticate and deliver to the Holder thereof a new Bond or Bonds of the same Series, maturity and tenor in Authorized Denominations equal in principal amount to the unredeemed portion of the Bond surrendered. Notwithstanding anything herein to the contrary, so long as the Bonds are held in the Book Entry System the Bonds will not be delivered as set forth above; rather transfers of Beneficial Ownership of such Bonds to the Person indicated above will be effected on the registration books of the Securities Depository pursuant to its rules and procedures.

Section 4.06. Redemption at the Election or Direction of the Issuer. In the case of any redemption of Bonds at the election or direction of the Issuer, the Issuer shall give Written Notice to the Trustee, at least five Business Days prior to the last date on which the Trustee is required to give notice of redemption pursuant to Section 4.04, of its election or direction so to redeem, the Series, Maturity Dates, principal amounts by Maturity Dates and CUSIP numbers of the Bonds to be redeemed, the Redemption Price or the manner in which it will be calculated for each Maturity Date of Bonds to be redeemed, and the date on which such Bonds are to be redeemed, and directing the Trustee to provide notice of such redemption to the Owners of such Bonds pursuant to Section 4.04 (maturities and principal amounts thereof to be redeemed shall be determined by the Issuer in its sole discretion). In the event notice of redemption shall have been given as in Section 4.04 provided, there shall be paid on or prior to the redemption date to the appropriate Paying Agents an amount in cash which, in addition to other moneys, if any, available therefor held by such Paying Agents, will be sufficient to redeem on the redemption date at the Redemption

Price thereof, plus interest accrued and unpaid to the redemption date, all of the Bonds to be redeemed. The Issuer shall promptly notify the Trustee in writing of all such payments by it to such Paying Agents.

Section 4.07. Redemption Other Than at the Issuer's Election or Direction. Whenever by the terms of this Indenture the Trustee is required or authorized to redeem Bonds other than at the election or direction of the Issuer, the Trustee shall (i) select the Bonds or portions of Bonds to be redeemed, (ii) give the notice of redemption and (iii) pay out of moneys available therefor the Redemption Price thereof (as determined by the quotation agent and provided in a Written Notice to the Trustee), plus interest accrued and unpaid to the redemption date, to the appropriate Paying Agents in accordance with the terms of this Article IV and, to the extent applicable, Section 5.07 and Section 5.08.

Section 4.08. Selection of Bonds To Be Redeemed. If less than all of the Bonds of like Series, tenor and maturity shall be called for redemption, the particular Bonds or portions of Bonds of such Series, tenor and maturity to be redeemed shall be selected by lot in such manner as the Trustee shall determine, in its sole discretion, from Bonds of such Series, tenor and maturity not previously called for redemption; *provided, however*, that the portion of any Bond of a denomination of more than a minimum Authorized Denomination to be redeemed shall be in the principal amount of such minimum Authorized Denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of a minimum Authorized Denomination which is obtained by dividing by such minimum Authorized Denomination the principal amount of such Bond to be redeemed in part.

Section 4.09. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 4.04 and, in the case of optional redemption of Bonds, sufficient moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on such Bonds being held by the Trustee, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the applicable Redemption Price, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, shall be paid at the Redemption Price. If there shall be drawn for redemption less than all of a Bond, the Issuer shall execute and the Trustee shall authenticate and the Paying Agent shall deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bonds so surrendered, Bonds of like Series, maturity and tenor in any of the Authorized Denominations. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. Upon the payment of the Redemption Price of the Bonds or portions thereof being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 4.10. Cancellation and Destruction of Bonds. All Bonds paid or redeemed either at or before maturity shall be delivered to the Trustee at its designated corporate trust office when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed pursuant to Section 5.10(c) that have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee pursuant to the Written Direction of the Issuer, shall thereupon be promptly cancelled (or deemed to have been cancelled). Bonds so cancelled may, to the extent permitted by law, at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the Issuer and the other executed certificate shall be retained by the Trustee.

Section 4.11. Optional Tender During Daily or Weekly Interest Rate Periods. (a) During any Daily Interest Rate Period or Weekly Interest Rate Period for a Series of Bonds, any Eligible Bond of such Series shall be purchased from its Owner at the option of the Owner on any Business Day at the applicable Purchase Price, payable in immediately available funds, upon delivery to the Trustee at its designated corporate trust office for delivery of notices and the Remarketing Agent of an irrevocable written notice which states the name of the Owner, the principal amount and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee. Any notice delivered to the Trustee after 4:00 p.m., New York City time, shall be deemed to have been received on the next succeeding Business Day. Payment of such Purchase Price shall be made from the sources and in the order of priority set forth in Section 4.15(e) on the date specified in such notice, provided such Bond is delivered, at or prior to 10:00 a.m., New York City time, on the date specified in such notice, to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange.

(b) So long as the Bonds are registered in the name of Cede & Co., as nominee for DTC, only direct or indirect Participants may give notice of the election to tender Bonds or portions thereof and the Beneficial Owners shall not have the right to tender Bonds directly to the Trustee, except through such Participants.

Section 4.12. Mandatory Tender for Purchase on Day Next Succeeding the Last Day of Each CP Interest Term. On the day next succeeding the last day of each CP Interest Term for an Eligible Bond in a Commercial Paper Interest Rate Period, unless such day is the first day of a new Interest Rate Period for such Bond (in which event such Bond shall be subject to mandatory purchase pursuant to Section 4.14), such Bond shall be purchased from its Owner at the applicable Purchase Price payable in immediately available funds, provided such Bond is delivered to the Trustee on or prior to 10:00 a.m., New York City time, on such day, or if delivered after 10:00 a.m., New York City time, on the next succeeding Business Day; *provided, however*, that in any event such Bond will not bear interest at the CP Interest Term Rate after the last day of the applicable CP Interest Term. The Purchase Price of any Bond so purchased shall be payable from the sources and in the order of priority set forth in Section 4.15(e) only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owner thereof or by

the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange.

Section 4.13. Mandatory Tender for Purchase on the Mandatory Purchase Date, *Index Rate Tender Date or Term Rate Tender Date*. On the Mandatory Purchase Date, Index Rate Tender Date or Term Rate Tender Date for a Series of Bonds (which, for the avoidance of doubt, can occur only on a Mandatory Purchase Date), unless such day is the first day of a new Interest Rate Period for such Bonds (in which event such Bonds shall be subject to mandatory purchase pursuant to Section 4.14), each Eligible Bond of such Series shall be purchased from the Owner thereof at the applicable Purchase Price, payable in immediately available funds, provided such Bond is delivered to the Trustee on or prior to 10:00 a.m., New York City time, on such day, or if delivered after 10:00 a.m., New York City time, on the next succeeding Business Day; *provided, however*, that in any event such Bond will not bear interest at the applicable Index Rate or Term Rate after the last day of the applicable Index Rate Period or Term Rate Period, respectively. The Purchase Price of any Bond so purchased shall be payable from the sources and in the order of priority specified in Section 4.15(e) only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange. The Series 2023[_] Bonds shall be subject to mandatory tender pursuant to this Section 4.13 on the Initial Mandatory Purchase Date.

Section 4.14. Mandatory Tender for Purchase on Conversion of Interest Rate Period. Eligible Bonds of a Series shall be subject to mandatory tender for purchase on each Conversion Date (which shall be a Mandatory Purchase Date) at the applicable Purchase Price, payable in immediately available funds. The Purchase Price of any Bond so purchased shall be payable from the sources and in the order of priority specified in Section 4.15(e) only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to such Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in this paragraph or in the notice provided pursuant to Section 2.10.

Section 4.15. General Provisions Relating to Tenders.

(a) *Creation of Bond Purchase Fund*.

(i) There shall be created and established hereunder with the Trustee a fund to be designated the "Bond Purchase Fund" to be held in trust only for the benefit of the Owners of tendered Bonds who shall thereafter be restricted exclusively to the moneys held in such fund for the satisfaction of any claim for the Purchase Price of such tendered Bonds. The Bond Purchase Fund and the Accounts therein are not Pledged Funds.

(ii) There shall be created and designated the following Accounts with respect to each Series of Bonds within the Bond Purchase Fund: the "Remarketing Proceeds

Account" and the "Issuer Purchase Account." Moneys paid to the Trustee for the purchase of tendered or deemed tendered Bonds of a Series received from

(A) the Remarketing Agent shall be deposited in the Remarketing Proceeds Account for such Series in accordance with the provisions of Section 4.15(d)(i) and

(B) the Issuer shall be deposited in the Issuer Purchase Account in accordance with the provisions of Section 4.15(d)(ii). Moneys provided by the Issuer not required to be used in connection with the purchase of tendered Bonds shall be returned to the Issuer in accordance with Section 4.15(d) and Section 4.15(e).

(iii) Moneys in the Issuer Purchase Account and the Remarketing Proceeds Account with respect to a Series of Bonds shall not be commingled with other funds held by the Trustee and shall remain uninvested. The Issuer shall have no right, title or interest in any of the funds held on deposit in the Remarketing Proceeds Account or any remarketing proceeds held for any period of time by the Remarketing Agent.

(b) *Deposit of Bonds*. The Trustee agrees to hold all Bonds delivered to it pursuant to Section 4.11, Section 4.12, Section 4.13 or Section 4.14 in trust for the benefit of the respective Owners which shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to such Owner in accordance with the provisions of this Indenture and until such Bonds shall have been delivered by the Trustee in accordance with Section 4.15(f).

(c) *Remarketing of Bonds*.

(i) Immediately upon its receipt, but not later than noon, New York City time on the following Business Day, from an Owner of a Bond bearing interest at a Daily Interest Rate or a Weekly Interest Rate of a notice pursuant to Section 4.11, the Trustee shall notify the Remarketing Agent by telephone, promptly confirmed in writing by Electronic Means, of such receipt, specifying the principal amount of Bonds for which it has received such notice, the names of the Owners thereof and the date on which such Bonds are to be purchased in accordance with Section 4.11.

(ii) As soon as practicable, but in no event later than 10:15 a.m., New York City time, on a Purchase Date, the Remarketing Agent shall inform the Trustee by telephone, promptly confirmed in writing, by Electronic Means, of the principal amount of Purchased Bonds to be purchased on such date, the name, address and taxpayer identification number of each such purchaser, and the Authorized Denominations in which such Purchased Bonds are to be delivered. Upon receipt from the Remarketing Agent of such information, and in no event later than 12:30 p.m., New York City time, on the Purchase Date, the Trustee shall prepare Purchased Bonds in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent pursuant to paragraph (f) of this Section 4.15.

(iii) Any Purchased Bonds which are subject to mandatory tender for purchase in accordance with Section 4.12, Section 4.13 or Section 4.14 which are not presented to the Trustee on the Purchase Date and any Purchased Bonds which are the subject of a notice pursuant to Section 4.16 which are not presented to the Trustee on the Purchase Date, shall, in accordance with the provisions of Section 4.16, be deemed to have been purchased upon the deposit of moneys equal to the Purchase Price thereof into any or all of the accounts of the Bond Purchase Fund.

(d) *Deposits of Funds*.

(i) The Trustee shall deposit into the Remarketing Proceeds Account for the applicable Series of Bonds any amounts received by it in immediately available funds by 12:30 p.m., New York City time, on any Purchase Date from the Remarketing Agent against receipt of Bonds by the Remarketing Agent pursuant to Section 4.15(f) and on account of Purchased Bonds remarketed pursuant to the terms of the Remarketing Agreement.

(ii) The Issuer may, in its sole discretion, pay to the Trustee in immediately available funds the amount equal to the difference, if any, between the total Purchase Price of Bonds to be purchased and the amount of money deposited under Section 4.15(d)(i) (the "*Additional Liquidity Drawing Amount*") by 12:45 p.m., New York City time. The Trustee shall deposit any Additional Liquidity Drawing Amounts into the Issuer Purchase Account for the applicable Series of Bonds.

(iii) The Trustee shall hold all proceeds received from the Remarketing Agent or the Issuer pursuant to this Section 4.15(d) in trust for the tendering Owners. In holding such proceeds and moneys, the Trustee will be acting on behalf of such Owners by facilitating the purchase of the Bonds and not on behalf of the Issuer and will not be subject to the control of the Issuer. Subject to the provisions of Section 4.15(e), following the discharge of the pledge created by Section 5.01 or after payment in full of the Bonds, the Trustee shall pay any moneys remaining in any Account of the Bond Purchase Fund directly to the Persons for whom such money is held upon presentation of evidence reasonably satisfactory to the Trustee that such Person is rightfully entitled to such money and the Trustee shall not pay such amounts to any other Person.

(e) *Disbursements; Payment of Purchase Price*. Moneys delivered to the Trustee on a Purchase Date shall be applied at or before 1:00 p.m., New York City time, on such Purchase Date to pay the Purchase Price of Purchased Bonds of the applicable Series in immediately available funds as follows in the indicated order of application and, to the extent not so applied on such date, shall be held in the separate and segregated Accounts of the Bond Purchase Fund for the benefit of the Owners of the Purchased Bonds which were to have been purchased:

FIRST: Moneys deposited in the Remarketing Proceeds Account for the Bonds of the applicable Series; and

SECOND: Moneys deposited in the Issuer Purchase Account for the Bonds of the applicable Series.

Any moneys held by the Trustee in the Issuer Purchase Account remaining unclaimed by the Owners of the Purchased Bonds which were to have been purchased for two years after the respective Purchase Date for such Bonds shall be paid to the Issuer, upon a request in a Written Direction of the Issuer against written receipt therefor. The Owners of Purchased Bonds who have not yet claimed money in respect of such Bonds shall thereafter be entitled to look only to the Trustee, to the extent it shall hold moneys on deposit in the Bond Purchase Fund, or the Issuer to the extent moneys have been transferred in accordance with this Section 4.15(e). The Trustee shall have no obligation to advance its own funds to fund the Bond Purchase Fund or otherwise pay the Purchase Price on any Bonds.

(f) *Delivery of Purchased Bonds*.

(i) The Remarketing Agent shall give telephonic notice, promptly confirmed by a written notice, by Electronic Means, to the Trustee on each date on which Bonds shall have been purchased pursuant to Section 4.11, Section 4.12, Section 4.13, or Section 4.14, specifying the principal amount of such Bonds, if any, sold by it and a list of such purchasers showing the names and Authorized Denominations in which such Bonds shall be registered, and the addresses and social security or taxpayer identification numbers of such purchasers. By 12:30 p.m., New York City time, on the Purchase Date, a principal amount of Bonds equal to the amount of Purchased Bonds purchased with moneys from the Remarketing Proceeds Account shall be made available by the Trustee to the Remarketing Agent against payment therefor in immediately available funds.

(ii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Issuer Purchase Account shall be delivered on the day of such purchase by the Trustee to or as directed by the Issuer. The Trustee shall register such Bonds in the name of the Issuer or as otherwise directed by the Issuer.

Section 4.16. Notice of Mandatory Tender for Purchase. In connection with any mandatory tender for purchase of Bonds in accordance with Section 4.12, Section 4.13 or Section 4.14, the Trustee shall give the notice (which in the case of a mandatory tender pursuant to Section 4.14 shall be given as a part of the notice given pursuant to Section 2.06(c), Section 2.07(c), Section 2.08(c), Section 2.09(c) or Section 2.14(c)) stating: (a) that the Purchase Price of any Bond so subject to mandatory tender for purchase shall be payable only upon surrender of such Bond to the Trustee at the office specified in such notice, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange; (b) that all Bonds so subject to mandatory tender for purchase shall be purchased on the Mandatory Purchase Date, unless (i) a Failed Remarketing shall have occurred prior to such Mandatory Purchase Date, in which case such Bonds shall be redeemed rather than purchased on such Mandatory Purchase Date, or (ii) such Bonds shall have otherwise been redeemed on or prior to, or are not Outstanding as of, such Mandatory Purchase Date; and (c) that in the event that any Owner of a Bond so subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on such Mandatory Purchase Date, then such Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such Mandatory Purchase Date and that the Owner thereof shall have no rights under this Indenture other than to receive payment of the Purchase

Price thereof. Any such notice of a mandatory tender of Bonds pursuant to Section 4.12, Section 4.13 or Section 4.14 shall be given no less than thirty (30) days prior to the applicable Mandatory Purchase Date, and the Trustee shall give a conditional notice of extraordinary redemption pursuant to Section 4.04 no later than the applicable deadlines set forth in that section to provide for the extraordinary redemption of the Bonds if a Failed Remarketing occurs prior to the Mandatory Purchase Date. No later than five (5) Business Days prior to the date on which such conditional notice of extraordinary redemption is required to be given by the Trustee pursuant to Section 4.4, the Issuer shall direct the Trustee to send such conditional redemption notice pursuant to a Written Direction in the form attached hereto as *Exhibit C*, which Written Direction shall include the applicable Redemption Date and method(s) for calculating the Redemption Price, to be followed by notice of the Redemption Price, as provided in *Exhibit C*.

Section 4.17. Irrevocable Notice Deemed to Be Tender of Bond; Undelivered Bonds Deemed Purchased on Mandatory Purchase Date. (a) The giving of notice by an Owner of a Bond bearing interest at a Daily Interest Rate or a Weekly Interest Rate pursuant to Section 4.11 shall constitute the irrevocable tender for purchase of each such Bond with respect to which such notice shall have been given, regardless of whether such Bond is delivered to the Trustee for purchase on the relevant Purchase Date as provided in this Article IV.

(b) The Trustee may refuse to accept delivery of any Purchased Bonds for which a proper instrument of transfer, with a satisfactory guaranty of signature, has not been provided; such refusal, however, shall not affect the validity of the purchase of such Bond as herein described. For purposes of this Article IV, the Trustee for the Bonds shall determine timely and proper delivery of Purchased Bonds and the proper endorsement of such Bonds. Such determination shall be binding on the Owners of such Bonds, the Issuer and the Remarketing Agent, absent manifest error. If any Owner of a Bond who shall have given notice of tender of purchase pursuant to Section 4.11 or any Owner of a Bond subject to mandatory tender for purchase pursuant to Section 4.12, Section 4.13 or Section 4.14 shall fail to deliver such Bond to the Trustee at the place and on the applicable date and at the time specified, or shall fail to deliver such Bond properly endorsed, such Bond shall constitute an Undelivered Bond. If funds in the amount of the Purchase Price of the Undelivered Bond are available for payment to the Owner thereof on the date and at the time specified, from and after the date and time of that required delivery, (i) the Undelivered Bond shall be deemed to be purchased and shall no longer be deemed to be Outstanding under this Indenture; (ii) interest shall no longer accrue thereon; and (iii) funds in the amount of the Purchase Price of the Undelivered Bond shall be held by the Trustee for such Bond for the benefit of the Owner thereof, to be paid on delivery (and proper endorsement) of the Undelivered Bond to the Trustee at its designated corporate trust office. Any funds held by the Trustee as described in clause (iii) of the preceding sentence shall be held uninvested.

Section 4.18. Remarketing of Bonds; Notice of Interest Rates. (a) Upon a mandatory tender or notice of the tender for purchase of Bonds, the Remarketing Agent shall offer for sale and use its best efforts to sell such Bonds subject to conditions in the Remarketing Agreement, any such sale to be made on the Purchase Date in accordance with this Article IV at a price equal to the principal amount thereof plus accrued interest, if any, thereon to the Purchase Date. The Remarketing Agent agrees that it shall not sell any Bonds purchased pursuant to this Article IV to the Issuer or a Project Participant, or to any Person who controls, is controlled by, or is under common control with the Issuer or a Project Participant.

(b) The Remarketing Agent shall determine the rate of interest to be borne by the Bonds bearing interest at a Daily Interest Rate, Weekly Interest Rate, CP Interest Term Rates or a Term Rate and the CP Interest Terms for each Bond during each Commercial Paper Interest Rate Period, and the applicable Calculation Agent shall determine the rate of interest to be borne by each Series of Bonds bearing interest at an Index Rate, all as provided in Article II, and shall furnish to the Trustee and to the Issuer upon request, in a timely fashion by Electronic Means, each rate of interest and CP Interest Term so determined.

(c) Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and is continuing an Event of Default, there shall be no remarketing of Bonds tendered or deemed tendered for purchase.

Section 4.19. The Remarketing Agent. (a) The Remarketing Agent shall be authorized by law to perform all the duties imposed upon it pursuant to the Remarketing Agreement. The Remarketing Agent or any successor shall signify its acceptance of the duties and obligations imposed upon it pursuant to the Remarketing Agreement by an agreement under which the Remarketing Agent will agree to:

(i) determine the interest rates applicable to the Bonds of the applicable Series and give written notice to the Trustee of such rates and periods in accordance with Article II;

(ii) keep such books and records as shall be consistent with prudent industry practice; and

(iii) use its best efforts to remarket Bonds in accordance with the Remarketing Agreement.

(b) The Remarketing Agent shall hold all amounts received by it in accordance with any remarketing of Bonds in trust only for the benefit of the Owners of tendered Bonds and shall not commingle such amounts with any other moneys.

Section 4.20. Qualifications of Remarketing Agent; Resignation; Removal. (a) Each Remarketing Agent shall be a member of the Financial Industry Regulatory Authority or subject to supervision by the Office of the Comptroller of the Currency, having a combined capital stock, surplus and undivided profits of at least $50,000,000 and be authorized by law to perform all the duties imposed upon it by this Indenture. Any successor Remarketing Agent shall have senior unsecured long term debt which shall be rated by each Rating Agency.

(b) A Remarketing Agent may at any time resign and be discharged of the duties and obligations created by the Remarketing Agreement by giving written notice to the Trustee and the Issuer. A Remarketing Agent may be removed at the direction of the Issuer at any time on 30 days' prior written notice, in a Written Direction of the Issuer, filed with such Remarketing Agent for the related Series of Bonds and the Trustee. No such resignation or removal shall be effective until a successor has been appointed and has accepted such duties.

Section 4.21. Successor Remarketing Agents. (a) Any corporation, association, partnership or firm which succeeds to the business of the Remarketing Agent as a whole or

substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of such Remarketing Agent hereunder.

(b) In the event that the Remarketing Agent has given written notice of resignation or has been notified of its impending removal in accordance with Section 4.20(b), the Issuer shall appoint a successor Remarketing Agent.

(c) In the event that the property or affairs of the Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Issuer shall not have appointed its successor, the Issuer shall appoint a successor and, if no appointment is made within 30 days, the Trustee shall apply to a court of competent jurisdiction for such appointment.

Section 4.22. Tender Agent. The Trustee shall serve as the tender agent for any Series of Bonds for which optional or mandatory tender for purchase is applicable under this Article IV, and as tender agent it and each successor Trustee appointed in accordance with this Indenture shall:

(a) hold all Bonds delivered to it for purchase hereunder in trust for the exclusive benefit of the respective Owners that shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Owners;

(b) hold all moneys delivered to it hereunder for the purchase of Bonds in trust for the exclusive benefit of the Person that shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to it for the account of such Person and, thereafter, for the benefit of the Owners tendering such Bonds; and

(c) keep such books and records as shall be consistent with prudent industry practice and make such books and records available for inspection at all times during regular business hours (upon reasonable prior written notice of inspection) by the Issuer and the Remarketing Agent for such Series of Bonds.

ARTICLE V

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 5.01. Pledge Effected by This Indenture. (a) The Bonds and the Interest Rate Swap are limited obligations of the Issuer payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of this Indenture solely by, the Trust Estate. Pursuant to the Granting Clauses of this Indenture, the Trust Estate has been conveyed, assigned and pledged to the payment of the principal and Redemption Price of and interest on the Bonds and the Interest Rate Swap Payments in accordance with their terms, and any other senior, parity and subordinate obligations of the Issuer secured by the lien of this Indenture, subject to (i) the pledge of and lien on the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparty, and (ii) the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture. The Trust Estate thereby pledged and assigned shall immediately be subject to the lien of such pledge without

any further physical delivery thereof or other further act, and the lien of such pledge shall be a first lien and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

(b) None of the Bonds, the Interest Rate Swap or the Commodity Swap constitute a debt or liability of the State or of any political subdivision thereof, other than as limited obligations of the Issuer, and the Issuer shall not be obligated to pay the principal or Redemption Price of, or interest on, the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments except from the funds provided therefor under this Indenture. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof, including the Issuer, or of any Project Participant is pledged to the payment of the principal or Redemption Price of and interest on the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments. The issuance of the Bonds and the execution and delivery of the Interest Rate Swap and the Commodity Swap shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment. The Issuer has no taxing power.

(c) Nothing contained in this Indenture shall be construed to prevent the Issuer from acquiring, constructing or financing, through the issuance of its bonds, notes or other evidences of indebtedness, any facilities or supplies of Energy other than the Clean Energy Project; *provided* that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Trust Estate or any portion thereof, and neither the cost of such facilities or supplies of Energy nor any expenditure in connection therewith or with the financing thereof shall be payable from the Trust Estate or any portion thereof.

Section 5.02. Establishment of Funds and Accounts. (a) The following Funds and Accounts are hereby established, each of which shall be held by the Trustee except as indicated below:

(i) Project Fund,

(ii) Revenue Fund,

(iii) Operating Fund,

(iv) Debt Service Fund, consisting of the Debt Service Account (and within such Account, a Capitalized Interest Subaccount) and the Redemption Account,

(v) Commodity Swap Payment Fund,

(vi) General Reserve Fund,

(vii) Energy Remarketing Reserve Fund, consisting of a Remediation Account,

(viii) Assignment Payment Fund,

(ix) Bond Purchase Fund established pursuant to Section 4.15, consisting of the Issuer Purchase Account and the Remarketing Proceeds Account; and

(x) Administrative Fee Fund.

(b) Within the Funds and Accounts established hereunder and held by the Trustee, the Trustee may create additional Accounts in any Fund or subaccounts in any Accounts as may facilitate the administration of this Indenture. The Issuer may, by Supplemental Indenture, with the prior written approval of the Trustee, establish one or more additional accounts or subaccounts. By Supplemental Indenture, the Issuer may also (i) establish custodial accounts to be held by the Trustee as custodian to receive Revenues paid by the Project Participants under the Power Supply Contracts, and (ii) provide for the application of such amounts for transfer to the Revenue Fund and for such other purposes as may be specified therein.

Section 5.03. Project Fund. (a) There shall be paid into the Project Fund proceeds of the Bonds in the amount specified by Written Request of the Issuer, and there may be paid into the Project Fund, at the option of the Issuer, any moneys received for or in connection with the Clean Energy Project by the Issuer from any other source, unless required to be otherwise applied as provided by this Indenture. Upon delivery of the Bonds, the Trustee shall immediately transfer from the Project Fund into the Capitalized Interest Subaccount of the Debt Service Account an amount, specified by Written Request of the Issuer, representing capitalized interest on the Bonds to the date set forth in such Written Request. Except as otherwise provided in this Section 5.03, amounts in the Project Fund shall be applied by the Issuer to pay the Cost of Acquisition and any capitalized interest on the Series 2023[_] Bonds.

(b) Before any payment is made by the Trustee from the Project Fund, the Issuer shall file with the Trustee a Written Request of the Issuer, showing with respect to each payment to be made, the name of the Person to whom payment is due and the amount to be paid, and stating that the obligation to be paid was incurred and is a proper charge against the Project Fund. To the extent that the Written Request includes amounts to be paid pursuant to the Energy Purchase Agreement, copies of the invoices or requests for direct payments submitted under the Energy Purchase Agreement shall be attached to the Written Request. Each such Written Request shall be sufficient evidence to the Trustee: (i) that obligations in the stated amounts have been incurred by the Issuer and that each item thereof is a proper charge against the Project Fund; and (ii) that there has not been filed with or served upon Issuer notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the Persons named in such Written Request which has not been released or will not be released simultaneously with the payment of such obligation other than materialmen's or mechanics' liens accruing by mere operation of law.

(c) Upon receipt of each such Written Request, the Trustee shall pay the amounts set forth therein as directed by the terms thereof from the applicable Account in accordance with and subject to the applicable terms of this Section 5.03.

(d) Notwithstanding any of the other provisions of this Section, to the extent that other moneys are not available therefor, amounts in Project Fund shall be applied to the payment of principal of and interest on Bonds when due.

(e) Upon Written Direction of the Issuer, but not earlier than six months after the date of delivery of the Bonds, the Trustee shall transfer to the Revenue Fund any amounts remaining on deposit in Project Fund.

Section 5.04. Revenues and Revenue Fund; Other Amounts. (a) All Revenues shall be deposited promptly by the Trustee upon receipt thereof into the Revenue Fund; *provided* that, for the avoidance of doubt, if any amounts are received from a Project Participant for which Outstanding Sold Receivables exist, as identified in a written notice from the Issuer to the Trustee, the Trustee shall promptly cause any such receipts to be paid to the Energy Supplier to the extent of such Outstanding Sold Receivables without setoff of any kind in accordance with Section 2.7 of the Receivables Purchase Provisions and any remaining amounts received from such Project Participant shall be deposited into the Revenue Fund.

(b) In the event that any Specified Project Participant fails to pay the amount due under its applicable Power Supply Contract, the Trustee shall perform the following actions on behalf of the Issuer under Section 2.1 of the Receivables Purchase Provisions: (i) provide a preliminary notice by email to the Issuer and the Energy Supplier that a Specified Project Participant will fail to make a payment as soon as practicable after becoming aware that a payment default will occur and in any event no later than the end of the calendar day on which the relevant payment default occurs, and (ii) prepare and deliver to the Energy Supplier a Put Option Notice by 12:00 p.m. New York City time on the Business Day following any such payment default. On the twenty-fourth day of the Month in which such Put Option Notice was delivered (or if such day is not a Business Day, the next Business Day following the twenty-fourth day of such Month), the Trustee shall deliver to the Energy Supplier the bill of sale and certificates required by Section 2.3(a) of the Receivables Purchase Provisions. The Trustee is hereby authorized to sell the Put Receivables then owed by the Specified Project Participants under the Power Supply Contracts pursuant to the Receivables Purchase Provisions and to take all actions on its part necessary in connection therewith. All amounts received by the Trustee pursuant to the Receivables Purchase Provisions in respect of Put Receivables shall be deposited in the Revenue Fund for application pursuant to Section 5.05.

(c) Upon receipt of the preliminary notice from the Trustee pursuant to (b)(i) above, the Issuer shall:

(i) in consultation with the Energy Supplier, determine the amount of the Net Participant Shortfall Amount, if any, resulting from such failure to pay; and

(ii) give prompt written notice of the amounts of such Net Participant Shortfall Amount, if any, and the amount of such nonpayment and the resulting Net Participant Shortfall Amount, to the Trustee, the Energy Supplier and the Commodity Swap Counterparty.

(d) The following amounts, which are payable to the Trustee but do not constitute Revenues, shall be applied by the Trustee as follows:

(i) any Termination Payment shall be deposited directly into the Redemption Account of the Debt Service Fund as provided in Section 5.08;

(ii) any Assignment Payment shall be deposited directly into the Assignment Payment Fund as provided in Section 5.12;

(iii) [Reserved];

(iv) amounts representing the Project Administration Fee, together with any amounts paid by the Project Participants under a Prepaid Clean Energy Project Administration Agreement, shall be paid as received to Issuer into the Administrative Fee Fund;

(v) any Interest Rate Swap Receipts shall be deposited directly into the Debt Service Account as provided in Section 2.13; and

(vi) any amounts required by Section 5.11 to be deposited into the Energy Remarketing Reserve Fund shall be deposited directly therein.

Section 5.05. Payments from Revenue Fund. (a) In each Month during which there is a deposit of Revenues into the Revenue Fund (but in no case later than the respective dates set forth below), the Trustee shall apply the amounts on deposit in the Revenue Fund, to the extent available, for credit or deposit to the Funds and Accounts indicated below, in the amounts described below (such application to be made in such a manner so as to assure good funds are available on the respective dates set forth below) in the following order of priority:

(i) [Reserved.];

(ii) To the Operating Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount, if any, required so that the balance therein shall equal the amount necessary for the payment of Operating Expenses coming due for such Month;

(iii) Subject to the provisos below, to the Debt Service Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day) for the credit to the Debt Service Account, an amount equal to the greater of (A) the Scheduled Debt Service Deposit, as set forth in Schedule II hereto, or (B) the amount necessary to cause an amount equal to the cumulative unpaid Scheduled Debt Service Deposits due through such date to be on deposit therein (without credit for undisbursed Interest Rate Swap Receipts on deposit therein);

(iv) To the Commodity Swap Payment Fund, on or before the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount required so that the balance therein shall equal the Commodity Swap Payments due for such Month; and

(v) To the Energy Supplier, not later than the last Business Day of such Month, the amount, if any, required for the repurchase of Put Receivables and the payment of interest on all Put Receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions;

provided, however, that if a Project Participant's payment failure results in a Net Participant Shortfall Amount for such Month, the intent is that such payment failure be allocated between the amounts that otherwise would have been deposited to the Debt Service Fund and the Commodity Swap Payment Fund. Therefore, for any Month in which a Net Participant Shortfall Amount exists, the Trustee shall reduce the amount transferred under clause (iii) above to the extent necessary such that the amount available for transfer under clause (iv) above is not less than (A) the amount that would be required to fully fund the Commodity Swap Payments due for such Month, minus (B) the sum of all Net Participant Shortfall Amounts for such Month; and

provided further, the amount required to be transferred to the Debt Service Account pursuant to clause (iii) above shall be reduced by the amount of investment earnings scheduled to be deposited into the Debt Service Account on or before the last Business Day of such Month.

(b) If, after a scheduled monthly deposit to the Debt Service Account, the balance therein is below the cumulative Scheduled Debt Service Deposits for such month as specified on Schedule II, the Trustee shall immediately notify the Issuer of such deficiency and the Trustee shall (i) if the Issuer has not previously done so, cause the Issuer to suspend all deliveries of all quantities of Energy under the Power Supply Contracts to the Project Participant that is in default thereunder, and (ii) promptly give notice to the Energy Supplier to follow the Remarketing Provisions.

(c) In each Month during which (i) there is a deposit of Revenues into the Revenue Fund and (ii) payment of a Principal Installment is due, after making such transfers, credits and deposits as required by paragraph (a) above and after the applicable Principal Installment payment date, the Trustee shall credit to the General Reserve Fund the remaining balance in the Revenue Fund.

(d) So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds and Interest Rate Swap Payments in accordance with their terms (including principal or applicable Sinking Fund Installments and interest thereon), no transfers shall be required to be made to the Debt Service Fund.

Section 5.06. Operating Fund. (a) Amounts credited to the Operating Fund shall be applied from time to time by the Trustee to the payment of (i) first, Rebate Payments, and (ii) second, any other Operating Expenses then due and payable.

(b) Amounts credited to the Operating Fund that the Trustee, on the last Business Day of each Month, determines to be in excess of the requirements of such Fund for such Month, shall be applied to make up any deficiencies in the Debt Service Account. Any balance of such excess not required to be so applied shall be transferred to the Revenue Fund for application in accordance with Section 5.05(a).

Section 5.07. Debt Service Fund—Debt Service Account. (a) The amounts deposited into the Debt Service Account pursuant to Section 5.05(a)(iii) shall be held in such Account and applied to the payment of the Debt Service and Interest Rate Swap Payments payable on each Bond Payment Date; *provided* that, for the purposes of computing the amount to be deposited in such Account, there shall be excluded from the required deposit the amount, if any, on deposit in the

Capitalized Interest Subaccount or set aside in the Debt Service Account from the proceeds of Bonds (including amounts, if any, transferred thereto from the Project Fund) for the payment of interest on the Bonds. Amounts in the Capitalized Interest Subaccount shall be applied to Debt Service prior to other monies held within the Debt Service Account.

(b) The Trustee shall pay out of the Debt Service Account to the Paying Agent: (i) on or before each Interest Payment Date, the amount required for the interest on the Bonds payable on such date; (ii) on or before each Bond Payment Date, the Interest Rate Swap Payments then due, (iii) on or before the Bond Payment Date on which a Principal Installment is due, the amount required for the Principal Installment payable on such date; and (iv) on or before any redemption date, the amount required for the payment of the Redemption Price of and accrued interest on such Bonds then to be redeemed; *provided, however*, that if with respect to any Bonds or portions thereof the amounts due on any such Bond Payment Date and/or redemption date are intended to be paid from a source other than amounts in the Debt Service Account prior to any application of amounts in the Debt Service Account to such payments, then the Trustee (after Written Notice from the Issuer to the Trustee that the Issuer intends to make payments from a source other than amounts in the Debt Service Account) shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and if any such amounts due are paid from such other source the Trustee shall apply the amounts in the Debt Service Account to provide reimbursement for such payment from such other source as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agent on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

(c) Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the Issuer in a Written Request delivered not less than thirty (30) days before the due date of such Sinking Fund Installment, be applied by the Trustee to (i) the purchase of Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established, (ii) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (iii) any combination of (i) and (ii). All purchases and redemptions of any Bonds pursuant to this subsection (c) shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Issuer shall direct the Trustee in writing. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such Account. As soon as practicable after the thirtieth (30^{th}) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for the redemption on such due date, by giving notice as required by this Indenture, Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment after making allowance for any Bonds purchased or redeemed pursuant to Section 5.10 which the Issuer has directed the Trustee in writing to apply as a credit against such Sinking Fund Installment as provided in Section 5.10(c). The Trustee shall pay out of the Debt Service Account to the Paying

Agent, on or before such redemption date or maturity date, as applicable, the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption or payment, as applicable. All expenses in connection with the purchase or redemption of Bonds shall be paid by the Issuer in such manner as the Issuer shall direct the Trustee in writing from the Operating Fund.

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee at its designated corporate trust office when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed pursuant to Section 5.10 that have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee pursuant to this Section 5.07, shall thereupon be promptly cancelled (or deemed to have been cancelled).

(d) Amounts accumulated in the Debt Service Account with respect to any principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established (together with amounts accumulated therein with respect to interest on such Bonds) shall, upon the reasonable prior Written Direction of the Issuer, be applied by the Trustee on or prior to the due date thereof, to (i) the purchase of such Bonds or (ii) the redemption at the principal amount of such Bonds, if then redeemable by their terms. All purchases and redemptions of any Bonds pursuant to this subsection (d) shall be made at prices not exceeding the principal amount of such Bonds plus accrued interest, and such purchases and redemptions shall be made in such manner as the Issuer shall determine. The principal amount of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such due date, for the purpose of calculating the amount of such Account.

(e) The amount deposited in the Debt Service Account on the Issue Date of any Series of Bonds from the proceeds thereof shall be set aside and applied to the payment of interest on such Series of Bonds and related Interest Rate Swap Payments.

(f) In the event of the refunding or defeasance of any Bonds, the Trustee shall, if directed by the Issuer in writing, withdraw from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; *provided* that such withdrawal shall not be made unless immediately thereafter Bonds being refunded or defeased shall be deemed to have been paid pursuant to Section 12.01(b). In the event of such refunding or defeasance, the Issuer may direct the Trustee to withdraw from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts in any Fund or Account hereunder; *provided, however*, that such withdrawal shall not be made unless the Bonds being defeased shall be deemed to have been paid pursuant to Section 12.01(b) and *provided, further*, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held hereunder.

(g) Any amount remaining in the Debt Service Account after a date for payment of a Principal Installment shall, to the extent not required to be retained therein for purposes of making future payments, be deposited in the Revenue Fund.

Section 5.08. Debt Service Fund–Redemption Account. (a) In the event of an early termination of the Energy Purchase Agreement, the Issuer shall direct the Energy Supplier to pay the Termination Payment directly to the Trustee for the account of the Issuer. The Trustee shall deposit the Termination Payment into the Redemption Account. Amounts deposited into the Redemption Account shall be applied by the Trustee to the redemption of Outstanding Bonds pursuant to Section 4.01.

(b) Any amounts remaining on deposit in the Redemption Account following the redemption and payment of all Outstanding Bonds shall be applied by the Trustee first to pay any Swap Payment Deficiency, second to repurchase any Put Receivables owned by the Energy Supplier, and third, upon Written Direction of the Issuer to the Trustee, shall be transferred to the Revenue Fund.

(c) For the avoidance of doubt, no Extraordinary Expenses shall be paid from the Redemption Account.

Section 5.09. Commodity Swap Payment Fund. (a) Amounts credited to the Commodity Swap Payment Fund shall be applied from time to time by the Trustee to the payment of the Commodity Swap Payments when due.

(b) Any amount remaining in the Commodity Swap Payment Fund following the payment of the Commodity Swap Payment due in any Month and prior to any deposit therein for the following Month shall be transferred to the Revenue Fund for application in accordance with Section 5.05(a).

Section 5.10. General Reserve Fund. (a) The Trustee shall apply moneys on deposit in the General Reserve Fund in the following amounts and in the following order of priority: *first*, for deposit into the Debt Service Account, the amount necessary (or all of the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in the deposits to such Account required by Section 5.05(a)(iii); *second*, for deposit into the Commodity Swap Payment Fund, the amount necessary to cause the balance therein to equal a Commodity Swap Payment that is then due; and *third* for deposit into the Operating Fund, the amount necessary for the payment of any Operating Expenses then due and payable and for which other funds are not available under this Indenture.

(b) Amounts on deposit in the General Reserve Fund not required to meet a deficiency or to make a deposit as provided in subsection (a) above shall be applied by the Trustee upon the Written Request of the Issuer to the following in the order listed below:

(i) payment of Extraordinary Expenses;

(ii) payment of any fees owed pursuant to any Qualified Investments;

(iii) annual refunds to Project Participants pursuant to the Power Supply Contracts;

(iv) the purchase or redemption of Bonds and expenses in connection with the purchase or redemption of such Bonds or any reserves which the Issuer determines shall be required for such purposes; and

(v) any other lawful purpose of the Issuer under the Act;

provided, however, that, subject to the provisions of subsection (a) of this Section, amounts credited to the General Reserve Fund and required by this Indenture to be applied to the purchase or redemption of Bonds shall be applied to such purpose.

(c) If at any time Bonds of any Series, maturity and tenor for which Sinking Fund Installments shall have been established are (i) purchased or redeemed other than pursuant to Section 5.07(d) or (ii) deemed to have been paid pursuant to Section 12.01(b) and, with respect to such Bonds which have been deemed paid, irrevocable written instructions have been given by the Issuer to the Trustee to redeem or purchase the same on or prior to the due date of the Sinking Fund Installment to be credited under this subsection (c), the Issuer may from time to time and at any time by Written Direction to the Trustee specify the portion, if any, of such Bonds so purchased, redeemed or deemed to have been paid and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments. Such direction shall specify the amounts of such Bonds to be applied as a credit against each Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; *provided, however*, that none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than thirty (30) days after such written notice is delivered to the Trustee. All such Bonds to be applied as a credit shall be surrendered to the Trustee for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

Section 5.11. Energy Remarketing Reserve Fund. There shall be paid by the Trustee into the Remediation Account of the Energy Remarketing Reserve Fund, and within such Remediation Account the subaccount applicable to each Project Participant, the amounts, as directed in a Written Direction of the Issuer, specified in Section 5(e)(i) of the Remarketing Provisions. In the case of a Remediation Remarketing (as defined in the Remarketing Provisions) pursuant to Section 8 of the Remarketing Provisions, amounts shall be released from the applicable subaccount of the Remediation Account upon such remarketing and applied pursuant to a Written Direction of the Issuer as follows: (a) if the proceeds received by the Trustee from the remarketing equal or exceed the Remediation Remarketing Purchase Price, the portion of the applicable subaccount of the Remediation Account allocable to such remarketing shall be transferred to the General Reserve Fund, and (b) if the proceeds received by the Trustee from the remarketing are less than the Remediation Remarketing Purchase Price, then (x) the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund allocable to such remarketing

shall be used to make a payment to the Energy Supplier in an amount equal to the excess of such Remediation Remarketing Purchase Price over such proceeds received by the Issuer from the remarketing, and (y) any remaining amounts allocable to such remarketing shall be transferred to the General Reserve Fund. For purposes of this Section 5.11(a), the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund specified in writing by the Issuer to the Trustee as the amount allocable to a remarketing shall consist of the product of (i) a fraction, the numerator of which is the purchase price of the Energy to be remarketed, and the denominator of which is the aggregate amount previously received by the Issuer from the sale of such Energy in Non-Private Business Sales (as defined in the Remarketing Provisions) or Private Business Sales (as defined in the Remarketing Provisions) that, as of the time of the remarketing, has not been remediated in accordance with Section 8 of the Remarketing Provisions, multiplied by (ii) the balance of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund at the time of the remarketing.

Section 5.12. Assignment Payment Fund. In connection with the issuance of Refunding Bonds, any Assignment Payment received from the Energy Supplier shall be deposited into the Assignment Payment Fund to be transferred to the replacement energy supplier, *provided, however*, that if the existing Bonds have not been redeemed or defeased on or before the Mandatory Purchase Date, in whole, by the Refunding Bonds, all or a portion of the Assignment Payment shall be transferred to the Trustee for deposit as directed by the Issuer in writing to the Redemption Account in Section 5.08, along with the proceeds of the Refunding Bonds, in order to redeem all of the Outstanding Bonds.

Section 5.13. Purchases of Bonds. Except as otherwise provided in Section 5.07, any purchase of Bonds (or portions thereof) by or at the direction of the Issuer pursuant to this Indenture may be made with or without tenders of Bonds and at either public or private sale, in such manner as the Issuer may determine.

Section 5.14. Administrative Fee Fund. All Project Administration Fees, together with any amounts paid by the Project Participants pursuant to a Prepaid Clean Energy Project Administration Agreement, shall be deposited by the Trustee into the Administrative Fee Fund. The Trustee shall apply amounts on deposit in the Administrative Fee Fund to pay Operating Expenses promptly upon receipt of a Written Request of the Issuer directing such payment. In the event amounts on deposit in the Administrative Fee Fund are insufficient to make any payments directed in the Written Request of the Issuer, the Trustee shall promptly notify each Project Participant, at its respective address shown on Schedule I attached hereto, of the fact and amount of such deficiency.

ARTICLE VI

DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 6.01. Depositories. (a) All moneys held by the Trustee under the provisions of this Indenture shall constitute trust funds and the Trustee may deposit such moneys with one or more Depositories in trust for the parties secured hereunder. All moneys deposited under the provisions of this Indenture with the Trustee or any Depository shall be held in trust and applied

only in accordance with the provisions of this Indenture; provided, however, that the Trustee shall be entitled to rely, without verification, on any certificate of a bank, trust company, national banking association or other entity that certifies that it meets the requirements for being a Depository of moneys hereunder and shall not be responsible for any monitoring of such requirements after the initial deposit of any moneys pursuant to the provisions of this Indenture.

(b) Each Depository shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having capital stock, surplus and undivided earnings of $50,000,000 or more, and willing and able to accept the office on reasonable and customary terms and authorized by law to act in accordance with the provisions of this Indenture; *provided, however*, that the Trustee shall be entitled to rely, without verification, on any certificate of a bank, trust company, national banking association or other entity that certifies that it meets the requirements for being a Depository of moneys hereunder and shall not be responsible for any monitoring of such requirements after the initial deposit of any moneys pursuant to the provisions of this Indenture.

Section 6.02. Deposits. (a) All Revenues and moneys held by any Depository under this Indenture may be placed on demand or time deposit, if and as directed by the Issuer in writing, *provided* that such deposits shall permit the moneys so held to be available for use at the time when needed. Any such deposit may be made in the commercial banking department of any Fiduciary, which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. All moneys held by any Fiduciary, as such, may be deposited by such Fiduciary in its banking department on demand or, if and to the extent directed by the Issuer in writing and acceptable to such Fiduciary, on time deposit, *provided* that such moneys on deposit be available for use at the time when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

(b) All moneys held under this Indenture by the Trustee, the Issuer or any Depository shall be held in such manner as may then be required by applicable federal or State laws and regulations and applicable state laws and regulations of the state in which such Depository is located, regarding security for, or granting a preference in the case of, the deposit of public or trust funds or, in the absence of such laws and regulations, shall be either (i) continuously or fully insured by the Federal Deposit Insurance Corporation, or (ii) continuously and fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by lodging with the Trustee, as custodian, as collateral security, Qualified Investments having a market value (exclusive of accrued interest) not less than the amount of such moneys (or portion thereof not insured by the Federal Deposit Insurance Corporation); *provided, however*, that, to the extent permitted by law, it shall not be necessary for the Fiduciaries to give security under this subsection (b) for the deposit of any moneys with them held in trust and set aside by them for the payment of the principal or Redemption Price of or interest on any Bonds, or for the Trustee, the Issuer or any Depository to give security for any moneys which shall be represented by obligations or certificates of deposit purchased as an investment of such moneys.

(c) All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund or Account to which such moneys belong and, except as provided with respect to the investment of moneys in Qualified Investments in Section 6.03, the moneys credited to each

particular Fund or Account shall be kept separate and apart from, and not commingled with, any moneys credited to any other Fund or Account or any other moneys deposited with the Trustee, the Issuer and each Depository, except as provided in Section 6.03.

Section 6.03. Investment of Certain Funds. Moneys held in the Debt Service Account shall be invested and reinvested by the Trustee at the Written Direction of the Issuer to the fullest extent practicable in Qualified Investments specified in such Written Direction which mature or are payable not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts and may take the form of a Debt Service Fund Agreement. To the extent moneys held in the Debt Service Account are invested in a Debt Service Fund Agreement, the Issuer covenants and agrees that it will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with such Debt Service Fund Agreement without the written consent of the Trustee and the delivery to the Trustee of a Rating Confirmation with respect to such amendment. Moneys held in the Revenue Fund and the Project Fund may be invested and reinvested by the Trustee at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys in the Operating Fund (other than moneys in the Operating Fund held with respect to Rebate Payments) may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature within twelve months or which provide funds as needed; moneys held in the Operating Fund with respect to Rebate Payments shall be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction at fair market value; and moneys in the General Reserve Fund and the Energy Remarketing Reserve Fund may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction; in any case the Qualified Investments in such Funds or in the Accounts therein shall mature not later than such times as shall be necessary to provide moneys when needed to provide payments from such Funds or Accounts. The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under this Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer and may rely on such investment directions without verifying the suitability or legality of such investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any Qualified Investments with moneys in any Fund or Account established under this Indenture, the Issuer may give Written Direction to the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under this Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer. The Trustee shall be entitled to rely in good faith on any Written Direction of the Issuer as to the suitability and legality of the directed investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any Qualified Investments with moneys in any Fund or Account established under this Indenture, the Issuer may give Written Direction to the Trustee to

combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

Interest earned on any moneys or investments in the Funds and Accounts established hereunder shall be paid into the Revenue Fund, other than interest earned on any moneys or investments in (i) the Redemption Account in the Debt Service Fund, (ii) the Operating Fund relating to Rebate Payments, (iii) the Energy Remarketing Reserve Fund, and (iv) the Administrative Fee Fund. Such interest shall be held in such respective Fund or Account for the purposes thereof. If no written investment directions have been delivered to the Trustee for any Fund or Account, moneys shall be held there uninvested by the Trustee.

Nothing in this Indenture shall prevent any Qualified Investments acquired as investments of or security for Funds held under this Indenture from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Nothing in this Indenture shall preclude the Trustee from investing or reinvesting moneys that it holds in the Funds and Accounts established pursuant to this Indenture through its bond department; *provided, however*, that the Issuer may, in its discretion, give a Written Direction to the Trustee that such moneys be invested or reinvested in a manner other than through such bond department.

To the extent any Qualified Investment is insured, guaranteed or otherwise supported by any secondary facility, the Trustee shall make a claim under such facility at such time as shall be required to receive payment thereunder not later than the date required to make any necessary deposit pursuant to Section 5.05 or Section 5.09 or otherwise under Article V.

Section 6.04. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any Fund created under the provisions of this Indenture shall be deemed at all times to be a part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund.

In computing the amount in any Fund created under the provisions of this Indenture for any purpose provided in this Indenture, obligations purchased as an investment of moneys therein shall be valued at the lower of market value or the amortized cost thereof. The accrued interest paid in connection with the purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined at the Written Direction of the Issuer to the Trustee as of each Principal Installment payment date and at such other times as the Issuer shall reasonably determine. Guaranteed investment contracts or similar agreements shall be valued at their face value to the extent that they provide for withdrawals without market adjustment or penalty when they are required to provide payment pursuant to this Indenture.

Except as otherwise provided in this Indenture, the Trustee shall use reasonable efforts to sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested to do so by a Written Request of the Issuer. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by the Trustee or the Issuer, the Issuer or the Trustee at the Written Direction of the Issuer

shall use reasonable efforts to sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Officer in a Written Direction of the Issuer to the Trustee as necessary to provide sufficient moneys for such payment or transfer. The Issuer acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the Issuer the right to receive from the Trustee brokerage confirmations of security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall not be required to provide any brokerage information.

The Trustee shall not be liable or responsible for any loss, fee, tax or other charge resulting from any such investment, sale or presentation for redemption made in the manner provided above in Section 6.02, Section 6.03 or Section 6.04. In the event of any such loss, fee, tax or other charge, the Issuer shall pay such amount to the Trustee to be credited as part of the monies originally invested.

ARTICLE VII

PARTICULAR COVENANTS OF THE ISSUER

The Issuer covenants and agrees with the Trustee and the Bondholders as follows:

Section 7.01. Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid, but solely from the Trust Estate, the principal or Redemption Price, if any, of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds, according to the true intent and meaning thereof.

Section 7.02. Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to any payment out of Revenues or Funds established by this Indenture, including the investment income, if any, thereof, pledged under this Indenture or the moneys (except moneys held in trust for the payment of particular Bonds or claims for interest pursuant to this Indenture) held by the Fiduciaries, except subject to the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest.

Section 7.03. Offices for Servicing Bonds. Pursuant to Section 2.02, the Issuer has appointed the Trustee as Bond Registrar and Paying Agent for the Bonds and the Trustee hereby accepts such appointments. The Trustee shall at all times maintain one or more agencies or offices where Bonds may be presented for registration exchange or transfer, where principal and Redemption Price of and interest on the Bonds may be paid, where reports, statements and other documents furnished to the Trustee hereunder may be inspected and where notices, demands and other documents may be served upon the Issuer in respect of the Bonds or of this Indenture, and the Trustee shall continuously maintain or make arrangements to provide such services. The Issuer

shall maintain one or more offices or agencies where notices, demands and other documents may be served upon the Issuer in respect of the Bonds or this Indenture, and the Issuer shall continuously maintain or make arrangements to provide such services.

Section 7.04. Further Assurance. At any and all times the Issuer shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which the Issuer may become bound to pledge.

Section 7.05. Power To Issue Bonds and Pledge the Trust Estate. The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to execute and deliver this Indenture and to pledge the Trust Estate, in the manner and to the extent provided in this Indenture. Except to the extent otherwise provided in or contemplated by this Indenture, the Trust Estate will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the security interest, the pledge and assignment created by this Indenture, and all action on the part of the Issuer to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable limited obligations of the Issuer in accordance with their terms and the terms of this Indenture. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other moneys, securities and funds pledged under this Indenture and all the rights of the Bondholders under this Indenture against all claims and demands of all Persons whomsoever.

Section 7.06. Power To Fix and Collect Fees and Charges for the Sale of Energy. The Issuer has, and, to the extent permitted by law, will have as long as any Bonds are Outstanding, good right and lawful power to fix, establish, maintain and collect fees and charges for the sale of Energy or otherwise with respect to the Clean Energy Project, subject to the terms of the Power Supply Contracts.

Section 7.07. Creation of Liens. Except as expressly permitted under the terms of this Indenture, for so long as any Bonds are Outstanding, the Issuer shall not, without a Rating Confirmation, issue any bonds, notes, debentures or other evidences of indebtedness of similar nature payable from or secured by a pledge and assignment of the Trust Estate, other than the Bonds and bonds, notes, debentures or other evidences of indebtedness issued to refund Outstanding Bonds, or otherwise incur obligations other than those contemplated by this Indenture, the Energy Purchase Agreement, the Power Supply Contracts, the Issuer Custodial Agreements, the Commodity Swap, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments), payable out of or secured by a pledge or assignment of, or lien on, the Trust Estate; and, except as expressly permitted under the terms of this Indenture, shall not, without a Rating Confirmation, create or cause to be created any lien or charge on the Trust Estate except as provided in or contemplated by this Indenture, the Energy Purchase Agreement, the Power Supply Contracts, the Issuer Custodial Agreements, the Commodity Swap, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under

Qualified Investments); provided, however, that nothing contained in this Indenture shall prevent the Issuer from entering into or issuing, if and to the extent permitted by law (A) evidences of indebtedness (1) payable out of moneys in the Project Fund as part of the Cost of Acquisition or (2) payable out of or secured by a pledge and assignment of the Trust Estate or any part thereof to be derived on and after such date as the pledge of the Trust Estate provided in this Indenture shall be discharged and satisfied as provided in Section 12.01, or (B) Commodity Swap and Interest Rate Swaps upon the terms and conditions set forth herein.

Section 7.08. [Reserved].

Section 7.09. Limitations on Operating Expenses and Other Costs. The Issuer shall not incur Operating Expenses in any Fiscal Year in excess of the reasonable and necessary amount of such Operating Expenses.

Section 7.10. Amendments to Power Supply Contracts. The Issuer will not consent or agree to or permit any termination or rescission of, assignment or novation (in whole or in part) by a Project Participant of, or amendment to or otherwise take any action under or in connection with any Power Supply Contract that will impair the ability of the Issuer to collect Revenues in each Fiscal Year which, together with the other amounts available therefor, shall provide an amount sufficient to pay:

(a) The amount estimated by the Issuer to be required to be paid during such Fiscal Year into the Operating Fund;

(b) The amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which the Issuer anticipates shall be transferred from other Funds or Accounts;

(c) The amounts, if any, to be paid during such Fiscal Year into any other Fund established under Section 5.02; and

(d) All other charges or liens whatsoever payable out of Revenues during such Fiscal Year;

provided that:

(i) the Issuer may take any other action under or in connection with the Power Supply Contracts that is expressly permitted pursuant to the provisions thereof;

(ii) the Issuer and a Project Participant may amend the Power Supply Contracts to change any Delivery Point (as defined and provided therein);

(iii) a Power Supply Contract may be amended upon receipt of (A) a Rating Confirmation with respect to such amendment, and (B) to the extent such amendment would have a material adverse effect (including, but not limited to, a change in the timing of payments, the source of such payments, or the Issuer's rights of collection thereof) upon the Receivables Purchase Provisions or the Commodity Swap, the consent of the Energy

Supplier or the Commodity Swap Counterparty, respectively, such consent not to be unreasonably withheld or delayed;

(iv) the Issuer may agree to an assignment or novation of all or a portion of a Project Participant's rights and obligations under a Power Supply Contract upon (A) compliance with the restrictions on assignment set forth in such Power Supply Contract, and (B) receipt of a Rating Confirmation with respect to such assignment or novation; and

(v) a Power Supply Contract may also be amended in connection with a remediation pursuant to Section 18.3(b) of the Energy Purchase Agreement.

Section 7.11. Power Supply Contract; Energy Remarketing. (a) The Issuer shall cause all Revenues payable by the Project Participants under the Power Supply Contracts to be payable directly to the Trustee for deposit into the Revenue Fund or custodial accounts established pursuant to Section 5.02(b). The Issuer shall enforce the provisions of the Power Supply Contracts, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder.

(b) In the event that any Project Participant fails to pay when due any amounts owed to the Issuer under a Power Supply Contract, the Issuer shall:

(i) promptly exercise its right to suspend all Energy deliveries to such Project Participant; and

(ii) promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Exhibit to the Energy Purchase Agreement for each Month of such suspension with respect to the quantities of Energy for which deliveries have been suspended.

(c) In the event that any Project Participant delivers a Remarketing Election Notice (as defined in each Power Supply Contract) in respect of any Reset Period, then the Issuer will promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Provisions for each month of such Reset Period with respect to any quantities of Energy that would otherwise have been delivered to such Project Participant.

(d) For the avoidance of doubt, as of the date of this Indenture, the Power Supply Contracts with the Project Participants set forth on Schedule I shall be the only Power Supply Contracts until such time, if any, that an assignment or novation occurs in accordance with the requirements set forth above. Without prejudice to the rights of the Energy Supplier to remarket Energy under the Energy Purchase Agreement or to an assignment or novation of a Power Supply Contract in compliance with this Section 7.11, the Issuer may sell the quantities of Energy to be delivered under the Energy Purchase Agreement only pursuant to the Power Supply Contracts. A copy of each Power Supply Contract and any amendment to a Power Supply Contract, certified by an Authorized Officer, shall be filed with the Trustee.

Section 7.12. Energy Purchase Agreement; Energy Supplier Guaranty. (a) The Issuer shall enforce the provisions of the Energy Purchase Agreement and duly perform its covenants and agreements thereunder and shall enforce the provisions of the Energy Supplier Guaranty.

(b) The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Energy Supplier under the Energy Purchase Agreement. The Issuer shall provide the Trustee with Written Notice of the Early Termination Payment Date (i) on the date on which a Failed Remarketing occurs, and (ii) in all other cases, not more than five (5) Business Days after such date is determined.

(c) The Issuer will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with the Energy Purchase Agreement or the Energy Supplier Guaranty which will in any manner materially impair or materially adversely affect the rights of the Issuer thereunder or the rights or security of the Bondholders under this Indenture; *provided* that the Energy Purchase Agreement may be assigned or amended without Bondholder consent upon receipt of a Rating Confirmation with respect to such assignment or amendment. The Energy Purchase Agreement may also be amended in connection with a remediation pursuant to Section 18.3(b) of the Energy Purchase Agreement. Copies of the Energy Purchase Agreement, the Energy Supplier Guaranty and any amendments thereto, certified by an Authorized Officer, shall be filed with the Trustee.

Section 7.13. [Reserved].

Section 7.14. Commodity Swap. The Issuer shall cause all Commodity Swap Receipts and any other amounts payable to the Issuer pursuant to the Commodity Swap to be collected and paid directly to the Trustee for deposit into the Revenue Fund. The Issuer shall enforce the provisions of the Commodity Swap and duly perform its covenants and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Commodity Swap Counterparty under the Commodity Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Commodity Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions hereof. The Issuer shall only exercise its right to terminate the Commodity Swap in compliance with Section 2.12(b). A copy of the Commodity Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to the Commodity Swap, certified by an Authorized Officer, shall be filed with the Trustee.

Section 7.15. Interest Rate Swap. The Issuer shall cause all Interest Rate Swap Receipts or other amounts payable to the Issuer pursuant to the Interest Rate Swap to be collected and paid to the Trustee for deposit into the Debt Service Account. The Issuer shall enforce the provisions of the Interest Rate Swap and duly perform its covenants and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Interest Rate Swap Counterparty under the Interest Rate Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Interest Rate Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions hereof. The Issuer shall only exercise its right to terminate the Interest Rate Swap in compliance with Section 2.13(b). A

copy of the Interest Rate Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to the Interest Rate Swap, certified by an Authorized Officer, shall be filed with the Trustee.

Section 7.16. Accounts and Reports. (a) The Issuer shall keep or cause to be kept with respect to the Clean Energy Project proper books of record and account (separate from all other records and accounts) in accordance with generally accepted accounting principles, as such may be modified by the provisions of this Indenture, in which complete and correct entries shall be made of its transactions relating to the Clean Energy Project, the amount of Revenues and the application thereof and each Fund and Account established under this Indenture and relating to its costs and charges under the Power Supply Contracts and any other contracts for the sale or purchase of Energy, and which, together with the Energy Purchase Agreement and all contracts and all other books and papers of the Issuer relating to the Clean Energy Project, shall, subject to the terms thereof, at all times during regular business hours be subject to the inspection of the Trustee and the Holders of an aggregate of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

(b) The Trustee shall advise the Issuer promptly after the end of each month of the respective transactions during such month relating to each Fund and Account held by it under this Indenture.

(c) The Issuer shall file with the Trustee (i) forthwith upon becoming aware of any Event of Default or default in the performance by the Issuer of any covenant, agreement or condition contained in this Indenture, a Written Certificate of the Issuer and specifying such Event of Default or default and (ii) within 180 days after the end of each Fiscal Year, commencing with the first Fiscal Year ending following the issuance of the Bonds, a Written Certificate of the Issuer signed by an appropriate Authorized Officer stating whether, to the best of such Authorized Officer's knowledge and belief, the Issuer has kept, observed, performed and fulfilled its covenants and obligations contained in this Indenture and that there does not exist at the date of such certificate any default by the Issuer under this Indenture or any Event of Default or other event which, with the lapse of time specified in Section 8.01, would become an Event of Default, or, if any such default or Event of Default or other event shall so exist, specifying the same and the nature and status thereof.

(d) The reports, statements and other documents required to be furnished to the Trustee pursuant to any provisions of this Indenture shall be available for the inspection of Bondholders at all times during regular business hours at the designated corporate trust office of the Trustee (upon reasonable prior written notice of inspection delivered to the Trustee), subject to such reasonable regulations as the Trustee may from time to time determine to be advisable or required by law, and shall be mailed to each Bondholder who shall file a written request therefor with the Issuer. The Issuer may charge each Bondholder requesting such reports, statements and other documents a reasonable fee to cover reproduction, handling and postage.

Section 7.17. Payment of Taxes and Charges. The Issuer will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Issuer or upon the rights, revenues, income, receipts, and other moneys, securities and funds of the Issuer

when the same shall become due (including all rights, moneys and other property transferred, assigned or pledged under this Indenture), and all lawful claims for labor and material and supplies, except those taxes, assessments, charges or claims which the Issuer shall in good faith contest by proper legal proceedings if the Issuer shall in all such cases have set aside on its books reserves deemed adequate by the Issuer with respect thereto.

Section 7.18. Tax Covenants. (a) The Issuer covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds under Section 103 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder or, as applicable, would adversely affect the Subsidy Payments or receipt thereof by the Issuer or the Trustee. Without limiting the generality of the foregoing, the Issuer covenants that it will (i) comply with the instructions and requirements of the Tax Agreement and (ii) exercise commercially reasonable efforts to cause the Bonds to be redeemed (A) in such amount as may be necessary to maintain the exclusion from federal gross income of interest on the Bonds and (B) in whole in the event that interest on the Bonds becomes includible in federal gross income. The Issuer further agrees to follow any directions provided by Special Tax Counsel with respect to any such redemption. This covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the Issuer is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Issuer shall so instruct the Trustee in writing as to the specific actions to be taken, and the Trustee shall take such action as specified in such instructions.

(c) Notwithstanding any other provisions of this Section, if the Issuer shall provide to the Trustee an Opinion of Special Tax Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds or the qualification of the Issuer to receive Subsidy Payments with respect to the applicable Series of Bonds, the Issuer and the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Agreement, and the covenants hereunder shall be deemed to be modified to that extent.

(d) Notwithstanding any other provision of this Indenture to the contrary, upon the Issuer's failure to observe or refusal to comply with the above covenants, the Holders of the Bonds, or the Trustee acting on their behalf pursuant to their written request and direction, shall be entitled to the rights and remedies provided to Bondholders under this Indenture based upon the Issuer's failure to observe, or refusal to comply with, the above covenants. In connection with any action taken by it under this Section, the Trustee shall have the benefit of all of the protective provisions set forth in Article IX.

Section 7.19. General. (a) The Issuer shall at all times maintain its existence and shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Issuer under the provisions of the Act and this Indenture.

(b) The Issuer shall not consolidate or amalgamate with, or merge with or into, or transfer all or substantially all its assets to (other than the sale in the normal course of business of Energy to the Project Participants pursuant to the Power Supply Contracts), or reorganize, reincorporate or reconstitute into or as, another entity unless, (i) prior to such event, the Issuer receives confirmation from the Commodity Swap Counterparty that such event does not trigger a termination event under Section 5(b)(iv) of the Commodity Swap and confirmation from the Interest Rate Swap Counterparty that such event does not trigger a termination event under Section 5(b)(iv) of the Interest Rate Swap; and (ii) at the time of such consolidation, amalgamation, merger, transfer, reorganization, reincorporation or reconstitution, the resulting, surviving or transferee entity assumes all the obligations of the Issuer under the Commodity Swap and the Interest Rate Swap.

(c) The Issuer shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the ratings on the Bonds.

(d) Upon the date of authentication and delivery of any of the Bonds, all conditions, acts and things required by law and this Indenture to exist, to have happened and to have been performed precedent to and in the issuance of such Bonds shall exist, have happened and have been performed, and the issuance of such Bonds, together with all other obligations of the Issuer, shall comply in all respects with the applicable laws of the State.

Section 7.20. Bankruptcy. To the extent permitted by law, the Issuer shall not, prior to the date which is one year and one day after the termination of this Indenture, acquiesce, petition, or otherwise invoke the process of any court or government authority for the purpose of commencing or sustaining a case under any federal or state bankruptcy, insolvency, or similar law or appointing a receiver, liquidator, assignee, trustee, custodian or sequestrator for any substantial part of its property, or ordering the winding up or liquidation of the affairs of the Issuer. This covenant shall survive the termination of this Indenture.

Section 7.21. [Reserved].

Section 7.22. Replacement of Energy Supplier Guaranty. The Issuer covenants that it shall not replace Morgan Stanley as issuer of the Energy Supplier Guaranty, or replace any successor issuer thereof, in each case without obtaining a Rating Confirmation. For the avoidance of doubt, this Section 7.22 is in addition to, and does not override, any other provision of this Indenture or any other document relating to the replacement of the issuer of the Energy Supplier Guaranty.

Section 7.23. Avoidance of Failed Remarketing. The Issuer covenants that it will exercise commercially reasonable efforts to avoid a Failed Remarketing.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default. Any one or more of the following shall constitute an "Event of Default" hereunder:

(a) default shall be made in the due and punctual payment of the principal or Redemption Price or Purchase Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or tender, or otherwise;

(b) default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable;

(c) default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, and such default shall continue for a period of 60 days or, if such default cannot reasonably be remedied within such 60-day period, such longer period so long as diligent efforts are being made to remedy such default, after written notice thereof specifying such default and requiring that it shall have been remedied and stating that such notice is a "Notice of Default" hereunder is given to the Issuer by the Trustee or to the Issuer and to the Trustee by the Holders of not less than 10% in principal amount of the Bonds Outstanding;

(d) default shall be made in the due and punctual payment of any Commodity Swap Payment or Interest Rate Swap Payment when and as the same shall become due and payable;

(e) the Issuer shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (*provided, however*, that such event shall not constitute an Event of Default hereunder unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project, or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts with respect to the Clean Energy Project as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing;

(f) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case or similar proceeding under any

applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (*provided, however*, that such event shall not constitute an Event of Default hereunder unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project, or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Issuer and its affairs or a decree or order finding or determining that the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; and

(g) there shall occur any other Event of Default specified in a Supplemental Indenture.

Section 8.02. Accounting and Examination of Records After Default. (a) The Issuer covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and accounts of the Issuer and all other records relating to the Clean Energy Project shall at all times during regular business hours be subject to the inspection and use of the Trustee and of its agents and attorneys.

(b) The Issuer covenants that if an Event of Default shall have happened and shall not have been remedied, the Issuer, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Revenues and other moneys, securities and funds pledged or held under this Indenture for such period as shall be stated in such demand.

Section 8.03. Enforcement of Agreements; Application of Moneys after Default. (a) The Issuer covenants that, if an Event of Default shall have occurred and be continuing, it shall upon the demand of the Trustee (i) take such additional actions on its part as shall be necessary to cause all Project Participants to make payments of all amounts due under the Power Supply Contracts to the Trustee, (ii) take such additional actions on its part as shall be necessary to cause the Commodity Swap Counterparty to make payment of all amounts due under the Commodity Swap directly to the Trustee, (iii) take such additional actions on its part as shall be necessary to cause the Interest Rate Swap Counterparty to make payment of all amounts due under the Interest Rate Swap directly to the Trustee, (iv) execute and deliver such additional instruments that may be necessary to establish or confirm its pledge and assignment to the Trustee of its rights and remedies afforded the Issuer under the Power Supply Contracts, and (v) pay over or cause to be paid over to the Trustee any Revenues which have not been paid directly to the Trustee as promptly as practicable after receipt thereof. In addition, to secure its obligations under this Indenture, the Issuer hereby irrevocably pledges and collaterally assigns to the Trustee the Issuer's rights to issue notices (including notices to direct the remarketing of Energy) and to take any other actions that the Issuer is required or permitted to take under the Energy Purchase Agreement, the Power Supply Contracts, the Energy Supplier Guaranty, the Commodity Swap and the Interest Rate Swap, and, while an Event of Default has occurred and is continuing under this Indenture, the Trustee is hereby authorized and directed, and shall have the authority, to take any such actions as it deems necessary under the Energy Purchase Agreement, the Power Supply Contracts, the Energy Supplier

Guaranty, the Commodity Swap and the Interest Rate Swap. Notwithstanding this authorization, the Issuer shall retain, in the absence of any conflicting action by the Trustee while an Event of Default has occurred and is continuing, the right and obligation to exercise any rights which it has pledged and collaterally assigned to the Trustee in accordance with the foregoing; provided, however, if an Event of Default has occurred and is continuing, the Trustee shall have the right to notify the Issuer to cease exercising such rights and, upon receipt of such notice with a copy provided to the Energy Supplier under the Energy Purchase Agreement, the Project Participants under the Power Supply Contracts, and the Commodity Swap Counterparty under the Commodity Swap, subject to the rights of the Energy Supplier with respect to the Power Supply Contracts as set forth in the Receivables Purchase Provisions, the Trustee shall have exclusive authority to exercise such rights until such time as the Event of Default has been cured pursuant to the terms of this Indenture or the Trustee issues a subsequent notice otherwise. For the avoidance of doubt, the Energy Purchase Agreement, the Power Supply Contracts and the Commodity Swap may be amended at any time for changes in Delivery Points as provided therein, without the consent of the Bondholders, any parties other than those to the relevant agreement, and without the provision of opinions or other process hereunder.

(b) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of this Article in accordance with Article V of this Indenture, after the payment of the reasonable fees, charges, expenses and liabilities of the Fiduciaries (including court costs and the fees and expenses of the Fiduciaries' counsel) payable to or incurred by the Fiduciaries in connection with the performance of their duties and the exercise of their rights hereunder, *provided* that (1) moneys held in the Debt Service Account shall not be used for purposes other than payment of the interest and principal or Redemption Price then due on the Bonds and the payment of Interest Rate Swap Payments then due under the Interest Rate Swap, (2) moneys in the Commodity Swap Payment Fund shall be used first to pay any Commodity Swap Payments then due, (3) moneys held in the General Reserve Fund shall not be used other than for the payment of the items specified in Section 5.10(a), and (4) moneys held in the Administrative Fee Fund shall not be used other than as specified in Section 5.14.

(c) If and whenever all overdue installments of interest on all Bonds, together with the reasonable charges, expenses and liabilities of the Fiduciaries, and all other sums payable or secured by the Issuer under this Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the Issuer, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under this Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Issuer all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Indenture, particularly Section 5.02, to be deposited or pledged, with the Trustee), and thereupon the Issuer and the Trustee shall be restored, respectively, to their former positions and rights under this Indenture. No such payment over to the Issuer by the Trustee nor restoration of the Issuer and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

Section 8.04. Appointment of Receiver. The Trustee shall have the right, upon the happening of an Event of Default, to apply in an appropriate proceeding for the appointment of a receiver of the Clean Energy Project.

Section 8.05. Proceedings Brought by Trustee. (a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than a majority in principal amount of the Bonds Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under this Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Issuer as if the Issuer were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

(b) All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, *provided* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(e) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority in principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture by any acts which may be unlawful or in violation of this Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

Section 8.06. Restriction on Bondholder's Action. (a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Holder (i) shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Holders of at

least a majority in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, (ii) shall have offered it reasonable opportunity, either to exercise the powers granted in this Indenture or by the laws of the State or to institute such action, suit or proceeding in its own name, and (iii) shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of Section 7.02.

(b) Nothing in this Indenture or in the Bonds shall affect or impair the obligation of the Issuer, which is absolute and unconditional, to pay only from the Trust Estate, in accordance with the terms of this Indenture, at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of its Bond.

Section 8.07. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of execution and delivery of this Indenture.

Section 8.08. Effect of Waiver and Other Circumstances. (a) No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by this Article VIII to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) Prior to the declaration of maturity of the Bonds as provided in Section 8.01, the Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 8.09. Notice of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of the Issuer.

ARTICLE IX

CONCERNING THE FIDUCIARIES

Section 9.01. Acceptance by Trustee of Duties. The Trustee accepts the duties and obligations imposed upon it by this Indenture and the trusts hereby created, but only, however, upon the terms and conditions set forth in this Indenture.

Section 9.02. Paying Agents; Appointment and Acceptance of Duties. (a) The Issuer shall appoint one or more Paying Agents for the Bonds, and may at any time or from time to time appoint one or more other Paying Agents. All Paying Agents appointed shall have the qualifications set forth in Section 9.13 for a successor Paying Agent. The Trustee is hereby appointed as initial Paying Agent.

(b) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer and to the Trustee a written acceptance thereof.

(c) Unless otherwise provided, the principal corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Issuer for the payment of the interest on and principal or Redemption Price of the Bonds.

Section 9.03. Responsibilities of Fiduciaries. (a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Issuer and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. Furthermore, no Fiduciary shall be responsible for any offering documents (except for information provided by any Fiduciary for inclusion in such offering documents). The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys, including bond proceeds, paid by such Fiduciary in accordance with the provisions of this Indenture to the Issuer or to any other Person. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or undertake any suit or proceeding under this Indenture or to enter any appearance in or defend any suit in respect thereof, or to advance any of its own moneys, expend or risk its own funds or otherwise incur any financial liability unless properly indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other anticipated disbursements, and against all liability except to the extent determined by a court of competent jurisdiction to have been caused by its own negligence or willful misconduct. To the extent permitted by law, the Issuer shall indemnify the Trustee for, and hold it harmless against, any loss, damage, claim, liability or expense incurred by it, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or the performance of any of its duties hereunder unless properly indemnified to its satisfaction. Subject to the provisions of subsection (b), no Fiduciary shall be liable in connection with the performance of its duties hereunder except to the extent determined by a court of competent jurisdiction to have been primarily caused by its own negligence or willful

misconduct. Notwithstanding anything to the contrary, the permissive rights of any Fiduciary to do things enumerated under this Indenture shall not be construed as duties.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section 9.03 and Section 9.04.

(c) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in connection with the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(d) Notwithstanding anything to the contrary herein, the Issuer acknowledges and agrees that the Trustee is not acting as the disclosure or dissemination agent for purposes of Rule 15c2-12 of the Securities Exchange Act of 1934 in connection with any notice required to be posted with the Municipal Securities Rulemaking Board via its EMMA system.

Section 9.04. Evidence on Which Fiduciaries May Act. (a) Each Fiduciary may conclusively rely upon any notice, direction, ordinance, resolution, request, consent, order, certificate, report, opinion, bond, statement, facsimile transmission, electronic mail or other paper or document furnished to it pursuant to any provision of this Indenture and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties and in conformity with the formal requirements of this Indenture. Each Fiduciary may consult with a consultant, accountant or counsel, who may or may not be a consultant, accountant or counsel to the Issuer, and the opinion of such consultant, accountant or counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in good faith and in accordance therewith and the Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument.

(b) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Issuer, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon

the faith thereof; but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Neither the Trustee, the Bond Registrar, the tender agent, nor the Paying Agent shall be bound to recognize any Person as a Bondholder or to take any action at its request unless its Bond shall be deposited with such entity or satisfactory evidence of the ownership of such Bond shall be furnished to such entity.

(c) The Trustee shall have the right to accept and act upon directions given pursuant to this Indenture, or any other document reasonably relating to the Bonds and delivered using Electronic Means; *provided, however*, that the Issuer shall provide to the Trustee a Written Certificate of the Issuer listing Authorized Officers with the authority to provide such directions and containing specimen signatures of such Authorized Officers, which Written Certificate of the Issuer shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee directions using Electronic Means and the Trustee in its discretion elects to act upon such directions, the Trustee's understanding of such directions shall be deemed controlling. The Issuer understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the Written Certificate of the Issuer provided to the Trustee have been sent by such Authorized Officer. The Issuer shall be responsible for ensuring that only Authorized Officers transmit such directions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys issued by the Trustee as confidential and with extreme care. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such directions notwithstanding such directions conflict or are inconsistent with a subsequent written direction. The Issuer agrees: (i) to assume all risks arising out of the use of Electronic Means to submit directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting directions to the Trustee and that there may be more secure methods of transmitting directions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 9.05. Compensation. The Issuer shall pay or cause to be paid to each Fiduciary from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal fees and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture, in accordance with the agreements made from time to time between the Issuer and the Fiduciary. Subject to the provisions of Section 9.03, the Issuer further agrees, to the extent permitted by applicable law, to indemnify and save each Fiduciary harmless against any liabilities that it may incur in the exercise and performance of its powers and duties hereunder and that are not due to such Fiduciary's negligence or willful misconduct.

Section 9.06. Certain Permitted Acts. Any Fiduciary, individually or otherwise, may become the owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depository for, and permit any of its officers

or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds then Outstanding. Nothing herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding without the approval of the Bondholders so affected.

Section 9.07. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties created by this Indenture by giving not less than 60 days' written notice to the Issuer and mailing notice thereof to the Holders of Bonds then Outstanding, specifying the date when such resignation shall take effect, and such resignation shall take effect upon the day specified in such notice unless (a) previously a successor shall have been appointed by the Issuer or the Bondholders as provided in Section 9.09, in which event such resignation shall take effect immediately on the appointment of such successor, or (b) a successor shall not have been appointed by the Issuer or the Bondholders as provided in Section 9.09 on such date, in which event such resignation shall not take effect until a successor is appointed.

Section 9.08. Removal of the Trustee. The Trustee may be removed with 30 days' prior notice with or without cause by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Issuer. So long as no Event of Default, or an event which, with notice or passage of time, or both, would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time with 30 days' prior Written Notice, with or without cause, by delivery of a Written Certificate of the Issuer to the Trustee with respect to the foregoing. Notwithstanding the foregoing, any such removal of the Trustee shall not be effective until a successor Trustee has been appointed pursuant to Section 9.09.

Section 9.09. Appointment of Successor Trustee. (a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor Trustee may be appointed by the Issuer by a duly executed written instrument signed by an Authorized Officer.

(b) If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 30 days after the Trustee shall have given to the Issuer written notice as provided in Section 9.07 or within 30 days after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, removal, or for any other reason whatsoever, the Trustee or the Holder of any Bond (in any case) may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section 9.09 in succession to the Trustee shall be a bank or trust company organized under the laws of any state or a national

banking association and shall have capital stock, surplus and undivided earnings aggregating at least $100,000,000 if there be such a bank with trust powers or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

Section 9.10. Transfer of Rights and Property to Successor Trustee. Any successor trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the Written Request of the Issuer or of the successor Trustee, at the cost and expense of the Issuer, execute, acknowledge and deliver such instrument of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property, rights, interests and estates held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Issuer. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

Section 9.11. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which any Fiduciary may sell or transfer all or substantially all of its corporate trust business, *provided* such company shall be a bank with trust powers or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture and shall meet the qualifications set forth in Section 9.09(c), shall be the successor to such Fiduciary without the execution or filing of any paper or the performance of any further act.

Section 9.12. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is provided, anywhere in said Bonds or in this Indenture, that the certificate of the Trustee shall have.

Section 9.13. Resignation or Removal of Paying Agent and Appointment of Successor. (a) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to the Issuer, the Trustee and the other Paying Agents. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer. Any successor

Paying Agent shall be appointed by the Issuer and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock, surplus and undivided earnings aggregating at least $50,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, at the reasonable cost and expense of the Issuer to the extent such Paying Agent is not acting as the Trustee at the time of such resignation or removal, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 9.14. Trustee's Reliance. In the absence of bad faith on its part, the Trustee may conclusively rely, and shall be protected in acting upon any notice, direction, ordinance, resolution, request, consent, order, certificate, report, opinion, bond, statement, facsimilie transmission, electronic mail or other paper or document furnished to the Trustee pursuant to any provision of this Indenture and that is believed by the Trustee to be genuine and to have been signed or presented by the proper party or parties and in conformity with the formal requirements of this Indenture. The Trustee may consult with any consultant, account, or counsel, who may or may not be counsel to the Issuer, and the opinion of such consultant, accountant, or counsel shall be full and complete authorization and protection in respect of any action taken or suffered by Trustee under this Indenture in good faith and in accordance therewith. The Trustee shall be under no duty to make any investigation or inquiry into any statements contained or matters referred to in any such instrument. Any request, direction, authority or consent given by the Holders of any Bond shall be conclusive and binding upon all Holders of the same Bond and any Bond issued in its place.

Section 9.15. Trustee's Liability. (a) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith, in accordance with the provisions of this Indenture, in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or, except for its negligence or willful misconduct, exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Bonds. In no event shall the Trustee be liable for incidental, special, consequential or punitive damages or penalties (including, but not limited to, lost profits).

(b) The Trustee shall not be deemed to have knowledge of an Event of Default except for those Events of Default in Sections 8.1(a) and (b) unless a Responsible Officer of the Trustee shall have actual knowledge of such Event of Default. As used herein, "actual knowledge" shall mean the actual fact or statement of knowing without any independent duty to make any investigation with regard thereto.

(c) The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds. All rights, benefits, indemnifications and releases from liability

granted herein to the Trustee shall extend to the directors, officers, employees and agents of the Trustee.

(d) Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Issuer, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Instrument, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in connection with the performance or exercise of any of its duties hereunder, or in the exercise of any of its rights or powers hereunder, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(f) The Trustee shall not be responsible for any recital in this Indenture or on the Bonds (except with respect to the certificate of the Trustee endorsed on the Bonds) or for insuring any property conveyed or collecting any insurance monies, or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto, or instruments of further assurance, or for the sufficiency of the security for the Bonds, or for the investment of monies as herein permitted (except that no investment shall be made except in compliance with Section 6.02 and Section 6.03 hereof), or for the recording or re-recording, filing or re-filing of this Indenture, or any supplement or amendment thereto, or of any Supplemental Indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof. Except as specifically provided in this Indenture, the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer, but the Trustee may require of the Issuer full information and advice as to the performance of such covenants. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers. Under no circumstances shall the Trustee in any of its capacities hereunder be liable in its individual capacity for the obligations evidenced by the Bonds or be subject to any personal liability or accountability by reason of the issuance of this Bond or in respect of any undertakings by the Trustee under this Indenture. In accepting the trust hereby created, the Trustee acts solely as Trustee for the holders of the Bonds and not in its individual capacity, and all persons, including without limitation the holders of the Bonds and the Issuer, having any claim against the Trustee arising from this Indenture shall look only to the Funds and Accounts held by the Trustee hereunder for payment except as otherwise provided herein.

(g) To the extent permitted by law, the Issuer shall indemnify the Trustee for, and hold it harmless against, any loss, damage, claim, liability or expense incurred by it, arising out of or in connection with the acceptance or administration of this Indenture or the trusts hereunder or the performance of any of its duties hereunder, except to the extent that any such loss, damage, claim, liability or expense was due to Trustee's own negligence or willful misconduct.

(h) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

Section 9.16. Trustee's Agents or Attorneys. The Trustee may execute any of its trusts or powers under this Indenture or perform any of its duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

Section 9.17. Notice of Lien Filings. Notwithstanding anything to the contrary contained in this Indenture, the Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code, if applicable. In addition, unless the Trustee shall have received Written Notice from the Issuer that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected (i) in relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto pursuant to this Section 9.17 and (ii) in filing any continuation statements in the same filing offices as the initial filings were made. If applicable, the Trustee shall, upon the prior Written Direction of the Issuer, cause to be filed, in accordance with such instructions, a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds which was filed at the time of the issuance thereof, for which the Issuer has directed a continuation statement to be filed, in such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered with such Written Direction of the Issuer to the Trustee. The Issuer shall be responsible for the reasonable costs incurred by the Trustee in the preparation and filing of all continuation statements hereunder, including payment of any filing fees, and shall give the Trustee any assistance it reasonably requests in order to enable the Trustee to file continuation statements for the lien established by this Indenture.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may from time to time, subject to the conditions and restrictions in this Indenture contained, enter into a Supplemental Indenture or Indentures, in form satisfactory to the Trustee, which shall thereafter form a part hereof, without the consent of the Bondholders for any one or more of the following purposes:

(a) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture;

(b) To insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) To make any other modification or amendment of this Indenture which the Trustee shall in its sole discretion determine will not have a material adverse effect on the Bondholders or the Interest Rate Swap Counterparty; and in making such a determination, the Trustee shall be entitled to rely conclusively upon an Opinion of Counsel and/or certificates of investment bankers or other financial professionals or consultants;

(d) To add to the covenants and agreements of the Issuer in this Indenture, other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(e) To add to the limitations and restrictions in this Indenture, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(f) To authorize the issuance of Refunding Bonds;

(g) To authorize, in compliance with all applicable law, Bonds to be issued in the form of coupon Bonds registrable as to principal only and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given hereunder to the Holders of such coupon Bonds, which are not contrary to or inconsistent with this Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

(h) To provide for the execution of a Commodity Swap in accordance with the provisions hereof;

(i) To provide for a Liquidity Facility and Liquidity Facility Provider in accordance with the provisions hereof;

(j) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, this Indenture of the Revenues or of any other moneys, securities or funds;

(k) To add to the Events of Default in this Indenture additional Events of Default;

(l) To add to this Indenture any provisions relating to the application of interest earnings on any Fund or Account under this Indenture required by law to preserve the exclusion of interest on Bonds issued from gross income for federal income tax purposes;

(m) To evidence the appointment of a successor Trustee; or

(n) If the Bonds affected by such change are rated by a Rating Agency, to make any change upon receipt of a Rating Confirmation with respect to the Bonds so affected.

Each Supplemental Indenture authorized by this Section shall become effective as of the date of its execution and delivery by the Issuer and the Trustee or such later date as shall be specified in such Supplemental Indenture.

A Supplemental Indenture will be deemed to not materially adversely affect the Holders of any Bonds that are subject to mandatory tender on or before the effective date of the Supplemental Indenture.

Section 10.02. Supplemental Indentures Effective With Consent of Bondholders. At any time or from time to time, subject to Section 10.03(e) and Section 11.05(b), a Supplemental Indenture may be entered into by the Issuer and the Trustee subject to notice to and consent by Bondholders in accordance with and subject to the provisions of Article XI, which Supplemental Indenture, upon compliance with the provisions of said Article XI, shall become fully effective in accordance with its terms as provided in said Article XI.

Section 10.03. General Provisions. (a) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article X and Article XI. Nothing contained in this Article X or Article XI shall affect or limit the right or obligation of the Issuer to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 7.04 or the right or obligation of the Issuer to execute and deliver to any Fiduciary any instrument which elsewhere in this Indenture it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Indenture referred to and permitted or authorized by Section 10.01 may be entered into between the Issuer and the Trustee without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided in said Section. A copy of every Supplemental Indenture shall be accompanied by an Opinion of Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture, and is valid and binding upon the Issuer; provided, that such Opinion of Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium, reorganization, arrangement, fraudulent conveyance or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy.

(c) The Trustee is hereby authorized to enter into any Supplemental Indenture referred to and permitted or authorized by Section 10.01 or Section 10.02 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an Opinion of Counsel that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto; *provided, however* this section shall not affect the rights of the Holders or the Issuer to remove the Trustee as provided in Section 9.08 herein.

(e) Notwithstanding anything in this Article X to the contrary, no Supplemental Indenture (or other amendment to this Indenture) shall change or modify (i) the order of priority of deposits set forth in Section 5.05(a), (ii) the priority of the application of funds following an Event of Default as set forth in Section 8.03, (iii) the definition of Operating Expenses, (iv) any of the rights or interests of the Commodity Swap Counterparty, the Interest Rate Swap Counterparty (if any) or the Energy Supplier, as purchaser under the Receivables Purchase Provisions, granted herein or in the Commodity Swap, the Interest Rate Swap or the Receivables Purchase Provisions, as the case may be, or (v) the provisions of Section 5.04(b) regarding the sale by the Trustee of Put Receivables (A) in each case unless the prior written consent of the Commodity Swap Counterparty has been obtained, and the Commodity Swap Counterparty shall have full right to enforce this provision, and (B) in the case of clause (iv) of this Section 10.03(e), unless the prior written consent of the Interest Rate Swap Counterparty and/or the Energy Supplier, as applicable, has been obtained.

ARTICLE XI

AMENDMENTS

Section 11.01. Mailing. Any provision in this Article XI for the mailing of a notice or other paper to Bondholders shall be fully complied with if it is mailed postage prepaid only (a) to each registered owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of the Issuer, and (b) to the Trustee.

Section 11.02. Powers of Amendment. Any modification or amendment of this Indenture and of the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be made by a Supplemental Indenture, subject to Section 10.03(e), with the written consent given as provided in Section 11.03(a) of the Holders of not less than a majority in principal amount of Outstanding Bonds, and (b) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of Outstanding Bonds of the particular maturity entitled to such Sinking Fund Installment; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like maturity remain Outstanding (or have become subject to mandatory purchase) the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section; and *provided further, however*, that if such modification or amendment would adversely affect the Interest Rate Swap Counterparty, such modification or amendment shall be subject to the prior written consent of the Interest Rate Swap Counterparty. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For

the purposes of this Section, the Bonds shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds in any material respect. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds would be materially affected by any modification or amendment of this Indenture and any such determination shall be binding and conclusive on the Issuer and all Holders of Bonds. For purposes of this Section, the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

Section 11.03. Consent of Bondholders. The Issuer and the Trustee may at any time enter into a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 11.02 to take effect when and as provided in this Section 11.03. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Issuer to Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section 11.03 provided). Such Supplemental Indenture shall not be effective unless and until there shall have been filed with the Trustee (a) the written consents of Holders of the percentages of Outstanding Bonds specified in Section 11.02, subject to Section 11.05(b), (b) the written consent of the Interest Rate Swap Counterparty if required by Section 11.02, and (c) an Opinion of Counsel stating that such Supplemental Indenture has been duly and lawfully executed by the Issuer in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the Issuer; *provided, that* such Opinion(s) of Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium, reorganization, arrangement, fraudulent conveyance or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy. For purposes of clause (a) of the preceding sentence, the written consent of the Bondholder shall be deemed to have been received if the amendment is expressly referred to in the Supplemental Indenture authorizing such Bonds and in the text of such Bonds and such Bonds recite that such Bondholder shall be deemed to have consented to such amendments by accepting such Bonds. Otherwise, each such consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 12.02. A certificate or certificates executed by the Trustee and filed with the Trustee and the Issuer stating that it has examined such proof and that such proof is sufficient in accordance with Section 12.02 shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates of the Trustee. Any such consent shall be irrevocable and shall be binding upon the Holder of the Bonds giving such consent and, anything in Section 12.02 to the contrary notwithstanding, upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice of such consent). At any time after the Holders of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture (or have deemed to have consented to such Supplemental Indenture), the Trustee shall make and file with the Trustee and the Issuer a written statement that the Holders of such required percentages

of Bonds have consented to, such Supplemental Indenture. Such written statements shall be conclusive that such consents have been received. At any time thereafter, notice stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by the Issuer and the Trustee on a stated date, a copy of which is on file with the Trustee) has been consented to by the Holders of the required percentages of Bonds and will be effective as provided in this Section 11.03, may be given to Bondholders by the Trustee by mailing such notice to Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 11.03 provided). A record, consisting of the certificates or statements required or permitted by this Section 11.03 to be made by the Trustee, shall be proof of the matters therein stated.

Section 11.04. Notifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be modified or amended in any respect upon the execution of a Supplemental Indenture by the Trustee and the Issuer, the consent of the Holders of all of the Bonds then Outstanding (such consent to be given as provided in Section 11.03), and the consent of the Interest Rate Swap Counterparty if required by Section 11.02; *provided, however*, that no such modification or amendment shall change or modify any of the rights or obligations of any Fiduciary or any of the provisions referenced in Section 10.03(e) without the filing with the Trustee of the written assent thereto of such Fiduciary or the Commodity Swap Counterparty, respectively, in addition to the consent of the Bondholders.

Section 11.05. Exclusion of Bonds. (a) Bonds owned or held by or for the account of the Issuer shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article XI. At the time of any consent or other action taken under this Article XI, the Issuer shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, describing all Bonds so to be excluded.

(b) Bonds for which a Bondholder has submitted a notice of abstention in response to a request for consent received pursuant to Section 11.03 shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article XI with respect to any Supplemental Indenture to be entered into by the Issuer and the Trustee; *provided*, that, such notice of abstention shall not apply with respect to any proposed amendments of Section 8.01.

Section 11.06. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in Article X or this Article XI may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to such action, and in that case upon demand of the Holder of any Bond Outstanding at such effective date and presentation of its Bond for the purpose at the principal corporate trust office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Issuer or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the Issuer to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Holder of any Bond then

Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same maturity then Outstanding, upon surrender of such Bonds.

ARTICLE XII

MISCELLANEOUS

Section 12.01. Defeasance. (a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in this Indenture and shall pay or cause to be paid all amounts due or to become due to the Interest Rate Swap Counterparty under the Interest Rate Swap, then the pledge of all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds; *provided, however*, that this Indenture shall not be discharged until (i) the Issuer shall have paid and satisfied all claims, charges and expenses that constitute Operating Expenses hereunder, (ii) the Trustee shall have received an Opinion of Counsel to the effect that all conditions precedent to the satisfaction and discharge of this Indenture have been fulfilled and (iii) receipt by the Trustee of a Rating Confirmation. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer and, upon the request of the Issuer, shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Issuer all moneys or securities held by them pursuant to this Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Issuer to the Holders of such Bonds shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a). In addition, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) upon compliance with the provisions of subsection (c).

(c) Subject to the provisions of subsection (d) of this Section, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee irrevocable written instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by

the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (ii) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to Section 5.07(g)) in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance Securities issued or held in book entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds (with such interest being calculated at the Maximum Rate with respect to any Bonds with interest rates that are not fixed to their redemption or maturity date, as applicable) on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day of the month preceding the month for which notice is mailed that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section 12.01 and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of subsection (d) of this Section 12.01, to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (i)). Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to this Section 12.01 to the retirement of said Bonds in amounts equal to the unsatisfied balances (determined as provided in Section 5.10(c)) of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in this Indenture. The Trustee shall, if so directed by the Issuer (A) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (B) prior to the mailing of the notice of redemption referred to in clause (i) above with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and, the Trustee shall immediately thereafter cancel all such Bonds so purchased; *provided, however*, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds (or the deemed cancellation thereof) shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Bonds (calculated as described above), in respect of which such moneys and Defeasance Securities are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (1) prior to the maturity date of Bonds deemed to have been paid in accordance with this Section 12.01 which are not to be redeemed prior to their maturity date or (2) prior to the mailing of the notice of redemption referred to in clause (i) with respect to any Bonds deemed to have been paid in accordance with this Section 12.01 which are to be redeemed on any date prior to their

maturity, the Issuer shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by written directions from the Issuer to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with this Section 12.01. The directions given by the Issuer to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with this Section 12.01 upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with this Section 12.01 on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations or deemed cancellations of Bonds as provided in this Section 12.01 the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under this Section 12.01 is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy clause (ii) of this subsection (c) of Section 12.01, the Trustee shall, if requested by the Issuer in writing, pay the amount of such excess to the Issuer free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Indenture. Except as otherwise provided in subsections (c) and (d) of this Section 12.01, neither Defeasance Securities nor moneys deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; *provided* that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (x) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under this Indenture, and (y) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Qualified Investments maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under this Indenture. Notwithstanding anything contained herein to the contrary, the Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against Defeasance Securities or the principal and interest received on Defeasance Securities.

(d) Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years (or, if shorter, one Business Day before such moneys would escheat to the State under then applicable State law) after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became due and payable, shall, at the Written Request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and

the Bondholders shall look only to the Issuer for the payment of such Bonds; *provided, however*, that before being required to make any such payment to the Issuer the Fiduciary shall, at the expense of the Issuer, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Issuer.

Section 12.02. Evidence of Signatures of Bondholders and Ownership of Bonds. (a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and, except as otherwise provided in Section 11.03, shall be signed or executed by such Bondholders in person or by their attorneys appointed in writing. Proof of (1) the execution of any such instrument, or of an instrument appointing any such attorney, or (2) the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Bondholder or its attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature, guarantee, certificate or affidavit shall also constitute sufficient proof of its authority.

(ii) The amount of Bonds transferable by delivery held by any Person executing any instrument as a Bondholder, the date of holding such Bonds, and the numbers and other identification thereof, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company, or financial corporation or other depository wherever situated, showing at the date therein mentioned that such Person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

(b) The ownership of Bonds registered other than to bearer and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books.

(c) Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance therewith.

Section 12.03. Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of the interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Holders of the Bonds entitled thereto.

Section 12.04. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture shall be retained in its possession and shall at all times during regular business hours (upon reasonable prior written notice) be subject to the inspection of the Issuer, any other Fiduciary, and any Bondholder and their agents and their representatives, any of whom may make copies thereof, subject to such reasonable regulations as such Fiduciary may from time to time determine to be advisable or required by law.

Section 12.05. Parties Interested Herein. Nothing in this Indenture expressed or implied, except for the rights and interests of the Commodity Swap Counterparty, the Interest Rate Swap Counterparty (if any) and the Energy Supplier, as purchaser under the Receivables Purchase Provisions, as described in Section 10.03(e), and the pledge of the Commodity Swap Payment Fund granted to the Commodity Swap Counterparty, is intended or shall be construed to confer upon, or to give to, any Person or corporation, other than the Issuer, the Fiduciaries, the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and, except as provided in Section 10.03(e), all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Fiduciaries, the Holders of the Bonds and the Interest Rate Swap Counterparty.

Section 12.06. No Recourse on the Bonds; Non-Liability of the Issuer. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Indenture against any source other than the Trust Estate as provided in this Indenture, including against any member of the board or officer of the Issuer, the Project Participants or any Person executing the Bonds. The Issuer shall not be obligated to pay the principal or Redemption Price or Purchase Price of or interest on the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments, except from the Trust Estate as provided in this Indenture. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the Issuer, is pledged to the payment of the principal or Redemption Price of or interest on the Bonds, the Interest Rate Swap Payments or Commodity Swap Payments. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Bonds, this Indenture, the Interest Rate Swap or the Commodity Swap except only to the extent of the Trust Estate as provided in this Indenture.

Section 12.07. Publication of Notice; Suspension of Publication. (a) Any publication to be made under the provisions of this Indenture in successive weeks or on successive dates may be made in each instance upon any Business Day of the week and need not be made in the same

Authorized Newspaper for any or all of the successive publications but may be made in a different Authorized Newspaper.

(b) If, because of the temporary or permanent suspension of the publication or general circulation of any Authorized Newspaper or for any other reason, it is impossible or impractical to publish any notice pursuant to this Indenture in the manner herein provided, then such publication in lieu thereof as shall be made by the Issuer with the written approval of the Trustee shall constitute a sufficient publication of such notice.

Section 12.08. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Issuer or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 12.09. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period after such nominal date.

Section 12.10. Notices. (a) Except as otherwise provided herein, all notices, requests, demands and other communications required or permitted under this Indenture shall be deemed to have been duly given if delivered or mailed, first class, postage prepaid (or sent by Electronic Means, confirmed by mail, as aforesaid), as follows: [**PARTICIPANTS TO REVIEW/UPDATE AS NEEDED]**

If to the Issuer:

California Community Choice Financing Authority
1125 Tamalpais Avenue
San Rafael, California 94901
Attention: Treasurer/Controller
Telephone: (415) 464-6037
Email: Series[_]@cccfa.org and notices@cccfa.org

With a copy to:

Silicon Valley Clean Energy Authority
333 W. El Camino Real Suite 330
Sunnyvale, California 94087
Attention: Girish Balachandran, CEO
Telephone: (408) 721-5301
Email: girish@svcleanenergy.org

If to the Trustee, Paying Agent, the Bond Registrar, the Custodian or the Calculation Agent for the Index Rate Bonds:	The Bank of New York Mellon Trust Company, N.A. 333 South Hope Street, Suite 2525 Los Angeles, California 90071 Telephone: (213) 630-6204 Attention: James Dickson Email: James. Dickson@bnymellon.com
If to the Calculation Agent for Bonds bearing interest at a CPI Index Rate:	Morgan Stanley & Co., LLC 1585 Broadway New York, NY 10036 Telephone: (212) 761-4000 Attention: agystruct@morganstanley.com With a copy to: Keith Cackowsky Morgan Stanley Energy Structuring, L.L.C. 1585 Broadway New York, NY 10036 Telephone: (914) 225-1548 Attention: Keith.Cackowsky@morganstanley.com

or to such other Person or addresses as the respective party hereafter designates in writing to the Issuer and the Trustee.

(b) The Issuer may, by Written Direction to the Trustee, permit a Project Participant that is a Member to deliver to the Trustee on behalf of the Issuer any notices, requests, demands and other communications required or permitted to be delivered by the Issuer under this Indenture. Such Written Direction shall contain a certificate identifying the Authorized Officers of such Project Participant for purposes of delivery of notices under this Indenture. The Trustee shall treat all such notices received from the Project Participant as if they were delivered by the Issuer, unless an Event of Default has occurred and is continuing under this Indenture, in which case any notices from such Project Participant shall be disregarded by the Trustee and of no force or effect. The Issuer may at any time rescind and annul the Written Direction permitting such Project Participant to deliver notices hereunder on behalf of the Issuer by delivering a Written Direction to the Trustee stating that such permission has been rescinded and annulled.

Section 12.11. Notices to Rating Agencies. The Issuer shall provide to each Rating Agency rating the Bonds at the time notice of any amendment to this Indenture, the Energy Purchase Agreement, any Commodity Swap, any Power Supply Contract, and Debt Service Fund Agreement or any other document relating to the Bonds or the Clean Energy Project.

Section 12.12. Counterparts. This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

Section 12.13. Waiver of Jury Trial. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO OR CONNECTED WITH THIS INDENTURE OR ANY OTHER TRANSACTION DOCUMENT, THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR THE RELATIONSHIP ESTABLISHED HEREUNDER OR THEREUNDER, AND AGREES THAT ANY SUCH PROCEEDING SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

Section 12.14. Electronic Signatures. Each of the parties hereto agrees that the transaction consisting of this agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this agreement in a usable format.

[*Signature page follows*]

IN WITNESS WHEREOF, the California Community Choice Financing Authority has caused this Indenture to be signed in its own name and on its behalf by an Authorized Officer, and as evidence of its acceptance of the trusts hereby created, The Bank of New York Mellon Trust Company, N.A., the duly authorized Trustee, has caused this Indenture to be signed in its name and on its behalf by one of its officers duly authorized and its corporate seal to be hereunto affixed, attested by another of its officers duly authorized, all as of the date first above written.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By:_____
Name:_____
Title:_____

ATTEST:

By:_____
Name:_____
Title:_____

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By:_____
Name:_____
Title:_____

[SEAL]

ATTEST**:**

_____
Attesting Party

EXHIBIT A

FORM OF BONDS

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("*DTC*"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED
No. ____

REGISTERED
$_____

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
CLEAN ENERGY PROJECT REVENUE BOND
SERIES 2023[_-1 (GREEN BONDS) (TERM RATE)]
[_-2 (GREEN BONDS) ([SIFMA/SOFR] INDEX RATE)]

MATURITY DATE	DATED DATE	CUSIP	[INTEREST RATE][APPLICABLE SPREAD AND APPLICABLE FACTOR]	INTEREST RATE MODE
	[_____], 2023			

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

California Community Choice Financing Authority (the "*Issuer*"), a joint powers authority, organized and existing pursuant to the Joint Exercise of Powers Act, Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the "*Act*"), and the Joint Powers Agreement, dated June 25, 2021, as amended from time to time, for value received, hereby promises to pay in lawful money of the United States of America, to the Registered Owner identified above, or registered assigns, on the Maturity Date stated above, unless this Bond shall have been called for redemption (in whole or in part) and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the principal amount identified above, and to pay, in the manner and from the source hereinafter provided, to the Registered Owner hereof interest on the balance of said principal amount from time to time remaining unpaid at the rate determined as provided in the Indenture identified below, until payment in full of such principal amount. The initial Interest Rate Period, as defined in the Indenture, for this Bond is set out in the

Indenture. The Interest Rate Period for this Bond may be changed from time to time as provided in the Indenture.

The following paragraph shall be inserted in the Series 2023[__]-1 Bonds:

> This Bond bears interest from the Dated Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at the rate per annum set forth above, computed on the basis of a 360-day year consisting of 12 thirty-day months, payable on [_____] 1 and [_____] 1 of each year, commencing [_____] 1, 2024.

The following paragraph shall be inserted for any SIFMA Index Rate Bonds, *and the phrase "SIFMA Index Rate" shall be inserted under the caption "Interest Rate" immediately below the title of such Bond*:

> This Bond bears interest from the Dated Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at a SIFMA Index Rate equal to the sum of (a) the SIFMA Index as of the day of determination plus (b) the Applicable Spread of [_____] basis points ([____]%) (but not more than the Maximum Rate of 12% per annum), computed on the basis of a 365- or 366-day year, as applicable, for the actual number of days elapsed and payable on the first Business Day of each Month, commencing on the first Business Day of [_____] 20[__].

The following paragraph shall be inserted in the Series 2023[__]-2 Bonds and for any SOFR Index Rate Bonds, and the phrase "SOFR Index Rate" shall be inserted under the caption "Interest Rate" immediately below the title of such Bond:

> This Bond bears interest from the Dated Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at a SOFR Index Rate equal to the sum of (a) the Applicable Spread of [_____] basis points ([_____]%) plus (b) the product of (i) the SOFR Index as of the day of determination multiplied by (ii) the Applicable Factor of [_____]% (but not more than the Maximum Rate of 12% *per annum*), computed on the basis of a 365- or 366-day year, as applicable, for the actual number of days elapsed and payable on the first Business Day of each Month, commencing on the first Business Day of [_____] 20[__].

The following paragraph shall be inserted for any CPI Index Rate Bonds, and the phrase "CPI Index Rate" shall be inserted under the caption "Interest Rate" immediately below the title of such Bond:

> This Bond bears interest from the Dated Date specified above, or from the most recent interest payment date to which interest has been paid or duly provided for, at a CPI Index Rate determined accordance with Section 2.14 of the Indenture (but not more than the Maximum Rate of 12% per annum), computed on the basis of a 360-day year of twelve 30-day calendar months and payable on the first Business Day of each Month, commencing on the first Business Day of [_____] 20[__].

The Issuer is obligated to pay the principal, Redemption Price of, and interest on this Bond solely from the Trust Estate as defined in and in accordance with the provisions of the Trust Indenture, dated as of [_____], 2023, between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (said trustee and any successor thereto under the Indenture being herein referred to as the "*Trustee*"), as the same may be amended and supplemented from time to time (the "*Indenture*").

This Bond is one of the Clean Energy Project Revenue Bonds of the Issuer initially issued in two separate series (collectively, the "*Bonds*") under and by virtue of the Act and under and pursuant to the Indenture for the purpose of providing funds to pay the Cost of Acquisition of the Issuer's Clean Energy Project. The aggregate principal amount of Bonds issued pursuant to the Indenture is limited to $[_____]. This Bond is one of the Series of Bonds designated as "Clean Energy Project Revenue Bonds, Series 2023[[__]-1 (Green Bonds) (Term Rate)][[__]-2 (Green Bonds) ([SIFMA/SOFR] Index Rate)]," dated as of the Dated Date identified above. Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

All Bonds are and will be equally and ratably secured by the pledge and covenants made in the Indenture, except as otherwise expressly provided or permitted in or pursuant to the Indenture.

THIS BOND IS A LIMITED OBLIGATION OF THE ISSUER AND THE PRINCIPAL AND REDEMPTION PRICE OF, AND INTEREST ON, THIS BOND ARE PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE ISSUER, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE. THE ISSUER SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OR THE REDEMPTION PRICE OF OR INTEREST ON THE BONDS EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR

ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

Copies of the Indenture are on file at the office of the office of Trustee in Los Angeles, California, and reference to the Indenture and the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bonds are issued, and a statement of the rights, duties, immunities and obligations of the Issuer and of the Trustee. Such pledge and other obligations of the Issuer under the Indenture may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Indenture.

The Issuer has established a book-entry system of registration for the Bonds. Except as specifically provided otherwise in the Indenture, the Securities Depository will be the registered owner of this Bond. By acceptance of a confirmation of purchase, delivery or transfer, a Beneficial Owner shall be deemed to have agreed to this arrangement. The Securities Depository, as registered owner of this Bond, shall be treated as the Owner of it for all purposes.

The Issuer will pay the principal or Redemption Price of and interest on this Bond solely from the Trust Estate in accordance with the provisions of the Indenture. Interest will accrue on the unpaid portion of the principal of this Bond from the last Interest Payment Date for which interest has been paid or duly provided for or if no interest has been paid or duly provided for, from the Dated Date of this Bond, until the entire principal amount of this Bond is paid or duly provided for, and such interest shall be paid in the manner and on the Interest Payment Dates specified in the Indenture.

This Bond may be transferred or exchanged as provided in the Indenture.

To the extent and in the respects permitted by the Indenture, the Indenture may be modified or amended in the manner and subject to the conditions and exceptions prescribed in the Indenture. Certain such modifications and amendments may be made without the consent of the Owners of the Bonds to the extent provided in the Indenture.

The Owner or Beneficial Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an Event of Default under the Indenture or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

The Bonds are subject to tender or redemption prior to maturity upon the circumstances, at the times, in the amounts, upon payment of the amounts, with the notice, upon the other terms and provisions and with the effect set forth in the Indenture.

No director, officer, agent or employee of the Issuer shall be individually or personally liable for the payment of any principal or Redemption Price of or interest on the Bonds or any sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of the Indenture.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of California or by the Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed in due time, form and manner, and that the issue of Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the California Community Choice Financing Authority has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Chair, and attested by the manual or facsimile signature of its Secretary, all as of the Dated Date specified above.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By:_____
Chair

ATTEST:

_____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION]

This Bond is one of the Bonds described in the within mentioned Indenture and is one of the Clean Energy Project Revenue Bonds, Series 2023[[__]-1 (Green Bonds) (Term Rate)][[__]-2 (Green Bonds) ([SIFMA/SOFR] Index Rate)], of California Community Choice Financing Authority.

Date of registration and authentication: [_____], 2023.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Name_____
Title_____

Customary abbreviations may be used in the name of a Bondholder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian) and U/T/M/A (= Uniform Transfers to Minors Act).

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right	(Cust) (Minor)

of survivorship and not as under Uniform Transfers to Minors Act of tenants in common _____
(State)

Additional abbreviations may also be used though not in list above.

[FORM OF ASSIGNMENT]

For Value Received, the undersigned sells, assigns and transfers unto

_____

Please Insert Social Security or
Other Identifying Number of Assignee

(Name and Address of Assignee)

_____

the within Bond of the California Community Choice Financing Authority, and hereby irrevocably constitutes and appoints _____ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Date: _____

SIGNATURE GUARANTEED:

_____

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

FORM OF INDEX RATE DETERMINATION CERTIFICATE

Re: California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2023[__]-2 (Green Bonds) ([SIFMA/SOFR] Index Rate) (the "*Bonds*")

Reference is made to Section 2.09 [and Section 2.14] of the Trust Indenture, dated as of [_____], 2023 (the "*Indenture*"), between the California Community Choice Financing Authority (the "*Issuer*") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "*Trustee*"), relating to the above captioned Bonds. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Indenture.

The undersigned Authorized Representative of the Issuer hereby notifies the Trustee and the Rating Agencies as follows with respect to the Index Rate Period commencing on the date hereof:

Include the following text separately for each Series of Index Rate Bonds:

(i) the Index Rate shall be the [SIFMA/SOFR] Index Rate and the Index Rate Period shall be _____;

(ii) if the Index Rate shall be the SOFR Index Rate, (A) the SOFR Index shall be the "Secured Overnight Financing Rate" reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing the SOFR Index as of the third Business Day preceding the [Initial Issue Date][Index Rate Reset Date], which will be used to calculate interest for the SOFR Effective Period beginning on such [Initial Issue Date][Index Rate Reset Date] (the "SOFR Effective Date") (for example, for purposes of determining the SOFR Index for a SOFR Effective Date of Thursday, _____, 20__, the Calculation Agent uses SOFR published on the SOFR Publish Date of Tuesday, _____, 20__, which is the SOFR Index for the SOFR Lookback Date of Monday, _____, 20__), and (B) the Applicable Factor, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be % of SOFR.

(iii) the Applicable Spread for each Maturity Date, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be as follows:

MATURITY DATE	APPLICABLE SPREAD	MATURITY DATE	APPLICABLE SPREAD

(iv) if, during any [SIFMA/SOFR] Index Rate Period, the [SIFMA/SOFR] Index Rate is not reported by, or otherwise ceases to be available from, the relevant source,

the substitute or replacement Index Rate, as determined by the Issuer, for the Index Rate Period shall be the substitute determined in writing by the Issuer;

(v) the Index Rate Tender Date shall be _____;

(vi) the Interest Payment Date[s] shall be _____;

(vii) for a Series of Bonds bearing interest at the SIFMA Index Rate, the Index Rate Reset Date[s] shall be [Thursday of each week, or if the SIFMA Index is not issued on Wednesday of such week, the Business Day next succeeding the day on which the SIFMA Index for such week is issued]; and

(viii) for a Series of Bonds bearing interest at the SOFR Index Rate, the SOFR Effective Date shall be each Business Day.

Include the following text for any Series of CPI Bonds:

(i) the CPI Interest Period shall be _____.

(ii) the Applicable Spread for each Maturity Date, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be as follows:

MATURITY DATE	APPLICABLE SPREAD	MATURITY DATE	APPLICABLE SPREAD

(iii) the CPI Index Rate for each Maturity Date shall be calculated, in accordance with Section 2.14 of the Indenture, using the CPI Index Rate Formula, which means (i) the total of CPI for the applicable Reference Month less CPI for the twelfth month prior to the applicable Reference Month, divided by (ii) CPI for the twelfth month prior to the applicable Reference Month, which formula would be expressed mathematically as ((CPIt — CPIt 12) / CPIt 12), where:

CPIt = CPI for the applicable Reference Month;

CPIt-12 = CPI for the twelfth month prior to the applicable Reference Month;

Applicable Spread = [ ]%; and

Reference Month = the 3rd calendar month preceding each CPI Index Rate Reset Date.

(iv) the Mandatory Purchase Date shall be_____;

(v) the Interest Payment Date[s] shall be the first Business Day of each Month, commencing on the first Business Day of [____], [20__]; and

(vi) CPI Index Rate Reset Date[s] shall be the first Business Day of each calendar month; and

(vii) if, during any CPI Index Rate Period, the CPI is not reported by, or otherwise ceases to be available from, the relevant source, but the CPI has otherwise been reported by the BLS, the Calculation Agent will determine the CPI as published by the BLS for such month using a source it deems to be accurate and appropriate.

IN WITNESS WHEREOF, I have set forth my hand this ____ day of _____.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name_____
Title_____

Please sign below to signify your acknowledgement of receipt of this Certificate and, as to the Underwriter or the Remarketing Agreement, as the case may be, your agreement with the terms set forth herein.

ACKNOWLEDGED AND RECEIVED:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Name _____
Title _____

ACKNOWLEDGED, RECEIVED AND AGREED TO:

_____
as Underwriter

By: _____
Name _____
Title _____

EXHIBIT C

Form of Written Direction and Redemption Notice

To: The Bank of New York Mellon Trust Company, N.A., as Trustee (the "***Trustee***")

DIRECTION IS HEREBY GIVEN by **CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY** (the "***Issuer***") to the Trustee for the Issuer's Clean Energy Project Revenue Bonds, Series 2023[__]-[1][2] (Green Bonds) ([Term Rate]/[SIFMA/SOFR Index Rate]) (the "***Bonds***") issued pursuant to the Trust Indenture, dated as of [_____], 2023, by and between the Issuer and the Trustee (the "***Indenture***"), to call the Bonds for redemption on [_____], 20[__] (the "***Redemption Date***") at a redemption price equal to (a) in the case of the Series 2023 [__]-1 Bonds [FOR REDEMPTION UNDER SECTION 4.03(a): the greater of (i) the Amortized Value of the Bonds, and (ii) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Bonds to be redeemed from and including the Redemption Date (not including any portion of the interest accrued and unpaid as of the Redemption Date) to the earlier of the stated maturity date of such Bonds or the Initial Mandatory Purchase Date, discounted to the Redemption Date on a semiannual basis at a discount rate equal to the Applicable Tax Exempt Municipal Bond Rate for the Bonds minus [___]% per annum, in each case plus accrued and unpaid interest to the Redemption Date] OR [FOR REDEMPTION UNDER SECTION 4.03(b): the Amortized Value of the Bonds as of the first day of the month of redemption, plus accrued interest to the Redemption Date] and (b) in the case of the Series 2023[__]-2 Bonds, 100% of the principal amount thereof, plus accrued and unpaid interest to the Redemption Date (the "***Redemption Price***").

["***Amortized Value***" means, with respect to any Bond to be redeemed when a Term Rate Period is in effect with respect to such Bond, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by the Issuer, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond's original reoffering yield on the date such Bond began to bear interest at its current Term Rate, which, in the case of the initial Term Rate Period for the Series 2023[__]-1 Bonds and certain dates, produces the amounts for all of the Series 2023[__]-1 Bonds set forth in Schedule IV of the Indenture; *provided* that in the case of a redemption of the Series 2023[__]-1 Bonds pursuant to Section 4.03(b), the Amortized Value of the Series 2023[__]-1 Bonds shall be the percentage of the principal amount thereof for the applicable redemption date set forth in Section 4.03(b) of the Indenture.]

["***Applicable Tax Exempt Municipal Bond Rate***" means, for the Bonds of any maturity, the "***Comparable AAA General Obligations***" yield curve rate for the year of such maturity or Mandatory Purchase Date, as applicable, as published by Refinitiv Global Markets, Inc. at least one Business Day and not more than 15 Business Days prior to the date that notice of redemption is required to be given pursuant to Section 4.04 of the Indenture. If no such yield curve rate is established for the applicable year, the "***Comparable AAA General Obligations***" yield curve rate

for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight line basis. This rate is made available daily by Refinitiv Global Markets, Inc. and is available to its subscribers through its internet address: www.tm3.com. In calculating the Applicable Tax Exempt Municipal Bond Rate, should Refinitiv Global Markets, Inc. no longer publish the "Comparable AAA General Obligations" yield curve rate, then the Applicable Tax Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics, Inc. and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics, Inc. no longer publishes the Consensus Scale, the Applicable Tax Exempt Municipal Bond Rate shall be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax exempt general obligation bonds rated in the highest Rating Category by Moody's and S&P with a maturity date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent's determination of the Applicable Tax Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.]

The quotation agent selected by the Issuer is [_____]. [_____] shall calculate the Redemption Price and deliver it to you five Business Days (as defined in the Indenture) prior to the Redemption Date.

[The remainder of this page is intentionally left blank]

The Issuer hereby directs you to cause notice of such optional redemption to be given pursuant to the provisions set forth in Section 4.04 of the Indenture to the registered owner of each Bond being redeemed, at its address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee for that purpose, as of the Regular Record Date (as defined in the Indenture), such notice to be mailed by first class mail, postage prepaid, at least [_____] ([__]) days prior to the Redemption Date, and such notice to be in substantially the form attached as APPENDIX A hereto.

Dated: [_____], 20[__].

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Authorized Officer

ACKNOWLEDGED

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: _____
Name: _____
Title: _____

APPENDIX A

FORM OF
NOTICE OF CONDITIONAL OPTIONAL REDEMPTION

related to

Clean Energy Project Revenue Bonds
Series 2023[__]-[1][2] (Green Bonds) ([Term Rate][SOFR Index Rate])

NOTICE IS HEREBY GIVEN to the holders of the following California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2023[__]-[1][2] (the "***Bonds***"), which were issued on [_____], 2023, that the Bonds listed below have been called for redemption prior to maturity on [_____], 20[__] (the "***Redemption Date***"), at a redemption price equal to (a) in the case of the Series 2023[__]-1 Bonds, [the Amortized Value of the Bonds as of the Redemption Date, plus accrued interest to the Redemption Date][the greater of (i) the Amortized Value of the Bonds, and (ii) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Bonds to be redeemed from and including the Redemption Date (not including any portion of the interest accrued and unpaid as of the Redemption Date) to the earlier of the stated maturity date of such Bonds or the Initial Mandatory Purchase Date, discounted to the Redemption Date on a semiannual basis at a discount rate equal to the Applicable Tax Exempt Municipal Bond Rate for the Bonds minus 0.25% per annum, in each case plus accrued and unpaid interest to the Redemption Date], and (b) in the case of the Series 2023[__]-2 Bonds, 100% of the principal amount thereof, plus accrued and unpaid interest to the Redemption Date (the "***Redemption Price***").

["***Amortized Value***" means, with respect to any Bond to be redeemed when a Term Rate Period is in effect with respect to such Bond, the principal amount of such Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by the Issuer, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date of such Bond and a yield equal to such Bond's original reoffering yield on the date such Bond began to bear interest at its current Term Rate, which, in the case of the initial Term Rate Period for the Series 2023[__]-1 Bonds and certain dates, produces the amounts for all of the Series 2023[__]-1 Bonds set forth in Schedule IV of the Indenture; *provided* that in the case of a redemption of the Series 2023[__]-1 Bonds pursuant to Section 4.03(b), the Amortized Value of the Series 2023[__]-1 Bonds shall be the percentage of the principal amount thereof for the applicable redemption date set forth in Section 4.03(b) of the Indenture.]

["***Applicable Tax Exempt Municipal Bond Rate***" means, for the Bonds of any maturity, the "***Comparable AAA General Obligations***" yield curve rate for the year of such maturity or Mandatory Purchase Date, as applicable, as published by Refinitiv Global Markets, Inc. at least one Business Day and not more than 15 Business Days prior to the date that notice of redemption is required to be given pursuant to Section 4.04 of the Indenture. If no such yield curve rate is

established for the applicable year, the "***Comparable AAA General Obligations***" yield curve rate for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight line basis. This rate is made available daily by Refinitiv Global Markets, Inc. and is available to its subscribers through its internet address: www.tm3.com. In calculating the Applicable Tax Exempt Municipal Bond Rate, should Refinitiv Global Markets, Inc. no longer publish the "Comparable AAA General Obligations" yield curve rate, then the Applicable Tax Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics, Inc. and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics, Inc. no longer publishes the Consensus Scale, the Applicable Tax Exempt Municipal Bond Rate shall be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax exempt general obligation bonds rated in the highest Rating Category by Moody's and S&P with a maturity date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics (other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent's determination of the Applicable Tax Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.]

CUSIP Number[1]	Maturity Date	Interest Rate	Outstanding Principal Amount	Principal Amount to be Redeemed	Redemption Date

The quotation agent selected by California Community Choice Financing Authority is [_____]. [_____] shall calculate the Redemption Price five Business Days (as defined in the Indenture) prior to the Redemption Date.

On the Redemption Date, there shall become due and payable on the Bonds to be redeemed, upon presentation and surrender of such Bonds as set forth below, the above mentioned Redemption Price, together with interest accrued and unpaid on the Bonds to be redeemed to such Redemption Date and, if payment has been made as provided for, then interest on the Bonds to be redeemed shall cease to accrue from and after the Redemption Date.

The redemption of the Bonds is subject to the condition that the Redemption Price will be due and payable on the Redemption Date only if moneys sufficient to accomplish such redemption are held by the Trustee on the scheduled Redemption Date.

[1] No representation is made as to the correctness of the CUSIP number either as printed on the Bonds or as contained in this notice and an error in a CUSIP number as printed on such Bonds or as contained in this notice shall not affect the validity of the proceedings for redemption.

On [insert redemption date], the Bonds to be redeemed shall be surrendered for redemption to:

FIRST CLASS/REGISTERED/CERTIFIED	EXPRESS DELIVERY ONLY	BY HAND ONLY

Any inquiries can be made by calling the following telephone number: (___) ___-____.

The method of delivery of the Bonds to be redeemed is at the option and risk of the holder, but, if mail is used, registered mail, properly insured, with receipt requested, is recommended.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as Trustee

By: _____
Name:
Title:

Dated: [_____], 20[__]

EXHIBIT D

Form of Index Rate Continuation Notice

Re: California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2023[__]-2 (Green Bonds) ([SIFMA/SOFR] Index Rate) (the "Bonds")

Reference is made to [Section 2.09][and][Section 2.14] of the Trust Indenture, dated as of [_____], 2023 (the "Indenture"), between the California Community Choice Financing Authority (the "Issuer") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), relating to the above captioned Bonds. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Indenture.

The undersigned Authorized Officer of the Issuer hereby notifies the Trustee and the Rating Agencies as follows with respect to the Index Rate Period commencing on the date hereof:

Include the following text separately for each Series of Index Rate Bonds:

(i) the Index Rate shall be the [SOFR/SIFMA] Index Rate; and the Index Rate Period shall be;

(ii) if the Index Rate shall be the SOFR Index Rate, (A) the SOFR Index shall be the "Secured Overnight Financing Rate" reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing the SOFR Index as of the third Business Day preceding the [Initial Issue Date][Index Rate Reset Date], which will be used to calculate interest for the SOFR Effective Period beginning on such [Initial Issue Date][Index Rate Reset Date] (the "SOFR Effective Date") (for example, for purposes of determining the SOFR Index for a SOFR Effective Date of Thursday, _____, 20__, the Calculation Agent uses SOFR published on the SOFR Publish Date of Tuesday, _____, 20__, which is the SOFR Index for the SOFR Lookback Date of Monday, _____, 20__), and (B) the Applicable Factor, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be [___]% of SOFR.

(iii) the Applicable Spread for each Maturity Date, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be as follows:

MATURITY DATE	APPLICABLE SPREAD

(iv) if, during any [SIFMA/SOFR] Index Rate Period, the [SIFMA/SOFR] Index Rate is not reported by, or otherwise ceases to be available from, the relevant source, the substitute or replacement Index Rate, as determined by the Issuer, for the Index Rate Period shall be the substitute determined in writing by the Issuer;

(v) the first day of the new Index Rate Period shall be;

(vi) the Index Rate Tender Date shall be;

(vii) if a Liquidity Facility is to be in effect for the Bonds during the new Index Rate Period, the Liquidity Facility Provider shall be;

(viii) for a Series of Bonds bearing interest at the SIFMA Index Rate, the Index Rate Reset Date[s] shall be [Thursday of each week, or if the SIFMA Index is not issued on Wednesday of such week, the Business Day next succeeding the day on which the SIFMA Index for such week is issued]; and

(ix) for a Series of Bonds bearing interest at the SOFR Index Rate, the SOFR Effective Date shall be [each Business Day][[_____], 20[___]].

Include the following text for any Series of CPI Bonds:

(i) the CPI Rate Period shall be _____;

(ii) the Applicable Spread for each Maturity Date, as determined by the Underwriter or the Remarketing Agent, as the case may be, shall be as follows:

MATURITY DATE	APPLICABLE SPREAD

(iii) the CPI Index Rate for each Maturity Date shall be calculated, in accordance with Section 2.14 of the Indenture, using the CPI Index Rate Formula, which means [(CPIt — CPIt-12) / CPIt-12] + Applicable Spread, where:

CPIt = CPI for the applicable Reference Month;

CPIt-12 = CPI for the twelfth month prior to the applicable Reference Month;

Applicable Spread = [___]%; and

Reference Month = the 3rd calendar month preceding each CPI Index Rate Reset Date.

(iv) the Mandatory Purchase Date shall be;

(v) the Interest Payment Dates shall be the first Business Day of each Month;

(vi) the CPI Index Rate Reset Date[s] shall be the first day of each calendar month; and

(vii) if, during any CPI Index Rate Period, the CPI is not reported by, or otherwise ceases to be available from, the relevant source, but the CPI has otherwise been reported by the BLS, the Calculation Agent will determine the CPI as published by the BLS for such month using a source it deems to be accurate and appropriate.

[The remainder of this page is intentionally left blank; signatures follow.]

IN WITNESS WHEREOF, I have set forth my hand this ____ day of _____.

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By: _____
Name_____
Title_____

Please sign below to signify your acknowledgement of receipt of this Notice and, as to the Underwriter or the Remarketing Agreement, as the case may be, your agreement with the terms set forth herein.

ACKNOWLEDGED AND RECEIVED:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Name _____
Title _____

ACKNOWLEDGED, RECEIVED AND AGREED TO:

_____
as Underwriter

By: _____
Name _____
Title _____

SCHEDULE I

INITIAL PROJECT PARTICIPANT

Silicon Valley Clean Energy Authority
Notice Address:
333 W. El Camino Real Suite 330
Sunnyvale, California 94087

SCHEDULE II

Scheduled Debt Service Deposits[(1)]

DATE	SCHEDULED MONTHLY DEPOSIT	MINIMUM INTEREST EARNINGS ACCRUAL[(1)]	CUMULATIVE SCHEDULED BALANCE

DATE	SCHEDULED MONTHLY DEPOSIT	MINIMUM INTEREST EARNINGS ACCRUAL[1]	CUMULATIVE SCHEDULED BALANCE

(1) Excludes projected interest earnings on the ISDA Agreement with Morgan Stanley Capital Group Inc.

SCHEDULE III

TERMS OF COMMODITY SWAPS

For each Month beginning with [____] 20[__] and ending with [____] 20[__], the Issuer will determine for each "Primary Delivery Point" as set forth on Exhibit A to the Energy Purchase Agreement, (i) the price under the "Contract Index Price" (as set forth on such Exhibit A), (ii) the difference (which may be positive or negative) between such Contract Index Price and the fixed prices for Energy set forth in the Commodity Swap, and (iii) the product of such difference and the Energy quantity, as applicable, for such Primary Delivery Point as set forth on Exhibit A to the Energy Purchase Agreement.

The Issuer will then calculate a net settlement amount for all Primary Delivery Points for such Month due by or to the Issuer under the Commodity Swap that aggregates the amounts determined under clause (iii) above.

All payments from the Issuer or the Commodity Swap Counterparty will be due on each "Payment Date" under the Commodity Swap (which shall be the twenty-fifth (25^{th}) day of the Month following the Month of Energy deliveries or, if such day is not a Business Day under the Commodity Swap, then the next following Business Day).

SCHEDULE IV

AMORTIZED VALUE OF SERIES 2023[__]-1 BONDS

REDEMPTION DATE	REDEMPTION PRICE	REDEMPTION DATE	REDEMPTION PRICE

RE-PRICING AGREEMENT

This RE-PRICING AGREEMENT, dated as of [____], 2023 (this "Agreement"), is entered into by and between Morgan Stanley Energy Structuring, L.L.C. ("MSES") and California Community Choice Financing Authority ("Issuer"). MSES and Issuer are sometimes referred to herein individually as a "Party" and collectively as the "Parties." Capitalized terms used herein shall have the meanings set forth in Section 1.

WHEREAS, Issuer is issuing the [Series 2023 __ Bonds] pursuant to the Indenture in order to provide funds to acquire the Energy Supply from MSES pursuant to the Prepaid Agreement; and

WHEREAS, in connection with its acquisition of the Energy Supply, Issuer has entered into the Power Supply Contract with the Project Participant providing for the sale of the Energy Supply by Issuer to the Project Participant; and

WHEREAS, the price payable by the Project Participant for the Energy Supply includes a discount to the index price set forth in the applicable Power Supply Contract, which discount has been established for the Initial Reset Period therein and will be re-established for each subsequent Reset Period under the terms and conditions set forth herein; and

WHEREAS, under the terms of the Power Supply Contract, prior to each Reset Period after the Initial Reset Period, the Project Participant may elect to have its Energy Supply remarketed if the Available Discount established for such Reset Period is less than the Minimum Discount specified in the Power Supply Contract;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1. Definitions. When used herein, the following capitalized terms shall have the following meanings:

"Additional Reduction Amount" has the meaning set forth in Appendix A.

"Alternative Supplier" means any Person that (i) has a Credit Rating equal to or better than Morgan Stanley's Credit Rating and (ii) agrees that, if the Prepaid Agreement and other related agreements entered into by Prepaid Supplier (the "Prepaid Supplier Documents") are novated to it, it will deliver an opinion or opinions of counsel in a form acceptable to Issuer, Bond Counsel (as defined in the Bond Indenture) and Swap Counterparty (as defined in the Prepaid Contract) that each of the Prepaid Supplier Documents are duly authorized by and enforceable against it.

"Available Discount" has the meaning specified in the Power Supply Contract and also means, for each Reset Period, the final amount determined by MSES as of the applicable Bond Pricing Date pursuant to Appendix A, expressed in cents per MWh (rounded down to the nearest one-half cent).

"Bond Closing Date" means the date on which the Bonds are issued pursuant to the Indenture.

"Bond Pricing Date" means, for any Reset Period, the date upon which the interest rate and yield on the Bonds is established pursuant to the applicable bond remarketing agreement or bond purchase agreement.

"Bonds" has the meaning set forth in the Indenture.

"Business Day" has the meaning set forth in the Indenture.

"Contract Quantity" has the meaning set forth in the Prepaid Agreement.

"Credit Rating" means the credit rating assigned by of Moody's Investors Service, Inc. and Fitch Ratings, Inc. (and any successors thereto) to a Person's senior, unsecured long-term debt obligations (not supported by third party credit enhancements).

"Delivery Period" has the meaning set forth in the Prepaid Agreement.

"Delivery Period Implied Rate" has the meaning set forth in Appendix A.

"Determination Month" has the meaning set forth in Appendix A.

"Energy" has the meaning set forth in the Prepaid Agreement.

"Energy Supply" means with respect to the Prepaid Agreement, the aggregate Contract Quantities of Energy to be delivered by MSES under the Prepaid Agreement.

"Estimated Available Discount" has the meaning set forth in Section 5(a).

"Excess Amount" is the positive difference, if any, of the Prior Remaining Energy Value less the New Remaining Delivery Cost.

"Fixed Price" means $[____]/MWh.

"Fixed Rate" has the meaning set forth in Appendix A.

"Guarantor" means Morgan Stanley, a Delaware corporation, in its capacity as the guarantor of MSES's payment obligations under the Prepaid Agreement.

"Indenture" means the Trust Indenture, dated as of the first day of the month of the Bond Closing Date, between Issuer and the Trustee, as the same may be amended or supplemented from time to time pursuant to one or more Supplemental Indentures, or any other trust indenture under which refunding bonds are issued and secured.

"Initial Reset Period" means the period from [____] until [____].

"Interest Rate Period" has the meaning set forth in the Indenture, provided that if the Bonds are Outstanding in two or more Series with separate, concurrent and co-terminus Interest Rate Periods, "Interest Rate Period" shall mean all such Interest Rate Periods collectively.

"Mandatory Purchase Date" has the meaning set forth in the Indenture.

"Minimum Discount" has the meaning set forth in the Power Supply Contract.

"Monthly Contract Quantity" means, for any month, the aggregate Contract Quantities scheduled to be delivered by MSES to Issuer under the Prepaid Agreement for such month.

"Monthly Discount" has the meaning set forth in Section 6(b).

"Morgan Stanley Guarantee" has the meaning set forth in the Prepaid Agreement.

"MSES" has the meaning set forth in the preamble.

"MWh" means megawatt-hour.

"New Remaining Delivery Cost" has the meaning set forth in Appendix A.

"New Reset Period" has the meaning set forth in Appendix A.

"Old Reset Period" has the meaning set forth in Appendix A.

"Outstanding" has the meaning set forth in the Indenture.

"Participant Notification Deadline Day" means, with respect to each Reset Period, the last day on which Issuer is permitted to provide a notice of the Estimated Available Discount to the Project Participant under the Power Supply Contract.

"Person" means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or government agency.

"Prepaid Agreement" means the Prepaid Energy Sales Agreement, dated as of [____], 2023, between MSES and Issuer, as the same may be amended or supplemented in accordance with its terms.

"Prepaid Supplier Documents" has the meaning specified in the definition of Alternative Supplier.

"Prior Remaining Energy Value" has the meaning set forth in Appendix A.

"Project Participant" has the meaning set forth in the Indenture.

"Power Supply Contract" means, individually or collectively, any or all of the separate Energy Supply Agreements, relating to the Energy Project as defined in the Indenture, between Issuer and the Project Participant, as each may be amended from time to time.

"Re-pricing Date" means, for any Reset Period, any Business Day not earlier than ninety (90) days prior to the earlier of (i) the date on which the Bonds then Outstanding may be called for optional redemption in accordance with the Indenture and (ii) the day following the last day of the Reset Period then in effect.

"Remaining Delivery Cost" has the meaning set forth in Appendix A.

"Remaining Energy Value" has the meaning set forth in Appendix A.

"Reset Period" means the Initial Reset Period and each period determined pursuant to Section 3.

"Reset Period Implied Rate" has the meaning set forth in Appendix A.

"Series" means Bonds designated as a Series and authorized to be issued by Issuer pursuant to Section 2.01 of the Indenture.

"Series 2023[__] Bonds" has the meaning set forth in the Indenture.

"SOFR" means the Secured Overnight Financing Rate administered by the Federal Reserve Bank of New York (or a successor administrator) and provided on the New York Fed's Website.

"Supplemental Indenture" means any indenture supplemental to or amendatory of the Indenture executed and delivered by Issuer and the Trustee in accordance with Article X of the Indenture.

"Termination Payment" has the meaning set forth in the Prepaid Agreement.

"Termination Payment Adjustment Schedule" has the meaning set forth in the Prepaid Agreement.

"Trustee" means the trustee under the Indenture and its successors and assigns.

Section 2. Purpose of Agreement and Intention of Parties. The Parties are entering into this Agreement in connection with the execution and delivery of the Indenture, the Prepaid Agreement and the other transaction documents for the purpose of establishing the methodology for determining the Available Discount for each Reset Period following the Initial Reset Period.

Section 3. Reset Periods. Each Reset Period shall commence on the next day that follows the last day of the Initial Reset Period or, subsequently, the immediately prior Reset Period. The length of each Reset Period shall be the remaining term of the Delivery Period unless MSES elects, in its sole discretion following consultation with Issuer, a shorter period, which period may not be shorter than the lesser of (a) three (3) years or (b) the remaining term of the Delivery Period without Issuer's consent; *provided further* that:

(i) The Initial Reset Period and each subsequent Reset Period (other than the final Reset Period) shall end the last day of the month preceding the end of the applicable

Interest Rate Period. For example, if the Interest Rate Period ends October 31, the last day of the Reset Period would end September 30, and

(ii) the final Reset Period shall end on the last day of the Delivery Period.

Section 4. Morgan Stanley Guarantee. The Morgan Stanley Guarantee terminates on the earliest of (i) the end of the Delivery Period; (ii) the earlier termination of the Prepaid Agreement (including through the date of any Termination Payment thereunder); and (iii) the last day of any Reset Period, if the Guarantor provides written notice of termination of the Morgan Stanley Guarantee. Unless the Morgan Stanley Guarantee is terminated, the Morgan Stanley Guarantee shall remain in effect for the next Reset Period at the time of, or prior to, the delivery of any refunding or remarketing bonds.

Section 5. Estimated Available Discount; Alternative Suppliers.

(a) Initial Estimated Available Discount.

(i) Initial Estimate by MSES. Not later than (A) eight months prior to a Mandatory Purchase Date that occurs in in February, May, August or November and (B) seven months prior a Mandatory Purchase Date that occurs in any other month, MSES will provide an estimate of the length of such Reset Period, the Reset Period Implied Rate, the difference between the Reset Period Implied Rate and SOFR for such period and the Available Discount (the "Estimated Available Discount") that are anticipated to apply to such Reset Period. In determining the Estimated Available Discount, MSES shall utilize the methodology set forth in Appendix A. After providing an initial estimate, MSES may provide updated estimates on its own initiative or upon a subsequent request from Issuer.

(ii) Cooperation by MSES. MSES acknowledges that Issuer will consult with its financial advisor in connection with the establishment of each Reset Period, and MSES agrees that it will reasonably cooperate with Issuer and its financial advisor in connection therewith consistent with the manner in which it has cooperated with Issuer and its financial advisor in connection with the establishment of the pricing for the Initial Reset Period.

(b) Alternative Estimated Available Discounts; Achievement of Bond Pricing Date.

(i) Estimates from Alternative Suppliers. Only after having received the Estimated Available Discount from MSES, Issuer may at its discretion solicit Alternative Suppliers to provide Estimated Available Discounts for such Reset Period. Not later than (A) 165 days prior to a Mandatory Purchase Date that occurs in in February, May, August or November and (B) 135 days prior to a Mandatory Purchase Date that occurs in any other month, Issuer may notify MSES that an Alternative Supplier has provided an Estimated Available Discount that materially exceeds MSES's previously provided Estimated Discount Rate (an "Alternative Estimated Available Discount"), which notice must include (1) the identity of the Alternative Supplier, (2) the Alternative Estimated Available Discount, and (3) certification by Issuer's financial advisor of a reasonable expectation of the

Alternative Supplier's ability to deliver such a proposed Estimated Alternative Discount based on then-current market conditions and to achieve a successful Bond closing for such upcoming Reset Period.

(ii) MSES Option to Match Alternative Estimated Available Discount. Within 15 days of receiving notice of an Alternative Estimated Available Discount meeting the foregoing requirements, MSES will notify Issuer if Guarantor could, based on then-current market conditions, match the Alternative Estimated Available Discount. If MSES so notifies Issuer, MSES will thereafter exercise commercially reasonable efforts to meet or exceed the Alternative Estimated Alternative Discount as of the Bond Pricing Date for the next Reset Period and Issuer will reasonably cooperate with MSES in connection therewith; provided that Issuer acknowledges the actual Available Discount will be determined on such Bond Pricing Date based on then-current market conditions but will remain subject to the Minimum Discount requirements.

(iii) Conditional Novation to Alternative Supplier. If MSES does not provide a notice of Guarantor's ability to meet the Estimated Available Discount in accordance with the foregoing, then MSES shall cooperate with Issuer and the Alternative Supplier to cause the Prepaid Supplier Documents to be novated to the Alternative Supplier as of the first day of the next Reset Period, which novation must be conditionally binding not later than two months prior to the Mandatory Purchase Date, subject only to successful closing of the new Bonds. Following the execution of such novation documents, MSES and Guarantor will have no obligations under any transaction documents for the next Reset Period other than those obligations that would have existed had the Prepaid Agreement terminated at the end of the then-current Reset Period. In the event of a Failed Remarketing (as defined in the Indenture) by the Alternative Supplier, MSES, may at its option and if all parties are in agreement, elect to attempt to remarket the transaction if MSES deems there is sufficient time to do so prior to the Mandatory Purchase Date.

(c) Notices to Project Participant. Issuer shall notify the Project Participant of the Estimated Available Discount and any updates thereto under the relevant provisions of the Power Supply Contract. Unless MSES and Issuer otherwise agree, in any notice of Estimated Available Discount provided to a Project Participant prior to the Participant Notification Deadline Day, Issuer shall clearly indicate in such notice that the notice is provisional and is not intended to, and does not, trigger a Project Participant's right to provide a Remarketing Notice (as defined in the Power Supply Contract).

Section 6. Determination of Available Discount and Monthly Discount.

(a) MSES shall determine on the Bond Pricing Date the Available Discount for such Reset Period (expressed in cents per MWh and rounded down to the nearest one-half cent) in accordance with the methodology set forth in Appendix A.

(b) For each Reset Period after the Initial Reset Period, MSES shall determine the monthly discount portion of the Available Discount for such Reset Period (the "Monthly

Discount"). Issuer and MSES then shall mutually agree upon the projected Annual Refund (as defined in the Power Supply Contract) for such Reset Period, which shall be determined consistent with Section 3.2(c) of the Power Supply Contract and shall be the remaining portion of the Available Discount. MSES and Issuer acknowledge that the purpose of retaining a portion of the Available Discount for distribution in the Annual Refund is to mitigate the risk to bondholders of reduced or lost investment income on any investments held under the Indenture.

Section 7. Termination Payment Adjustment Schedule; Monthly Quantity Changes.

(a) For any Reset Period, MSES may modify the Termination Payment Adjustment Schedule to reflect changes in the Remaining Energy Values set forth on Attachment 1 to Appendix A and otherwise, provided that such modifications are sufficient to meet the redemption requirements of the Bonds to be sold for such Reset Period.

(b) Issuer and MSES agree that the Prepaid Agreement will be amended to reflect any reductions to Monthly Contract Quantities determined pursuant to Appendix A.

Section 8. Timing. The dates and time intervals stated in this Agreement may be waived or altered by the mutual agreement of the Parties.

Section 9. Termination. This Agreement shall terminate automatically upon termination of the Prepaid Agreement for any reason, including but not limited to election by the Guarantor to terminate the Morgan Stanley Guarantee pursuant to its terms. For the avoidance of doubt, nothing in this Agreement or any other agreement restricts the ability of Guarantor to terminate the Morgan Stanley Guarantee as set forth in the Morgan Stanley Guarantee, effective as of the end of a Reset Period, which election to terminate may be made by Guarantor in its sole and absolute discretion. Any such termination shall not be considered a failure by MSES to act in good faith hereunder, regardless of whether the Parties have previously discussed pricing that may apply to any Reset Period or otherwise taken the steps required under this Agreement. MSES shall not be required to provide estimates hereunder or otherwise take or continue the steps toward determining pricing hereunder for any Reset Period if the Guarantor exercises its right to terminate the Morgan Stanley Guarantee.

Section 10. Communications.

(a) All notices, requests and other communications shall be in writing (including facsimile, electronic mail or other electronic means) provided to the address and/or electronic mail address set forth below:

MSES: As provided in the Prepaid Agreement

Issuer: As provided in the Prepaid Agreement

(b) Each Party may change the address for communications to it pursuant to the terms of the referenced agreement, which notice shall be effective when delivered at the address specified herein.

Section 11. Miscellaneous.

(a) *Miscellaneous*. Article X [Dispute Resolution] and Sections 18.3 [Entirety; Amendments], 18.4 [Governing Law], 18.5 [Non-Waiver], 18.6 [Severability], 18.7 [Exhibits], 18.9 [Relationship of Parties], 18.12 [Limitation of Liability] and 18.13 [Counterparts] of the Prepaid Agreement are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein.

(b) *Amendments to Power Supply Contract and Indenture*. Issuer shall not agree to or consent to any modification, supplement, amendment or waiver of any provision of the Power Supply Contract or the Indenture that affects the meaning of any defined term herein or the operation of any provision hereof.

(c) *Assignment*. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either Party hereto without the prior written consent of the other Party; provided that each Party acknowledges and agrees that the other Party shall assign all of its right, title and interest in, to and under this Agreement in connection with any assignment by either Party of its right, title and interest in, to and under the Prepaid Agreement to the assignee thereof, which assignment shall constitute a novation.

[Separate Signature Page(s) Attached]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the date first above written.

MORGAN STANLEY ENERGY
STRUCTURING, L.L.C.

By:_____
Name:_____
Title:_____

CALIFORNIA COMMUNITY CHOICE
FINANCING AUTHORITY

By:_____
Name:_____
Title:_____

Appendix A

MSES will undertake the following steps in determining the Available Discount for any Reset Period (each, a "New Reset Period"):

- Step 1: Determine the "Prior Remaining Energy Value"
  - MSES will determine the Remaining Energy Value for the last month of the current Reset Period (the "Old Reset Period") based on Attachment 1 hereto, as such Attachment initially existed or was last updated at the beginning of the prior Reset Period (the "Prior Remaining Energy Value").
  - "Remaining Energy Value" means, for any month, the amount set forth on Attachment 1 of Appendix A as the "Remaining Energy Value" for such month, as Attachment 1 may be updated pursuant to this Appendix A in connection with the establishment of any new Reset Period.

- Step 2: MSES will specify the length of the New Reset Period pursuant to Section 3 of the Agreement

- Step 3: MSES will specify a Reset Period Implied Rate for the New Reset Period and a Delivery Period Implied Rate
  - "Reset Period Implied Rate" means, for any Reset Period other than the Initial Reset Period, a fixed rate offered by MSES in its sole and absolute discretion as of the Bond Pricing Date for such Reset Period at which MSES or Guarantor determines (in its sole discretion) that it would be able to acquire, as of the date of determination, funding from other sources comparable to the funding provided by the Prepaid Agreement as of the date of determination. In determining such a rate, the Guarantor and MSES may consider all relevant factors, including (x) the nature of the source of funding provided by the Prepaid Agreement, including any applicable regulatory or capital charges, (y) the tenor and possibility of early termination of the Prepaid Agreement, and (z) any other unique attributes of the Prepaid Agreement funding relative to other sources available to the Guarantor.
  - "Delivery Period Implied Rate" means, for any remaining portion of the Delivery Period that is not covered by a Reset Period, a fixed rate determined by MSES in its sole and absolute discretion as of the Bond Pricing Date for such Reset Period which MSES or Guarantor determines (in its sole discretion) represents an appropriate taxable market discount rate as of the Bond Pricing Date.

- Step 4: Determine the "New Remaining Delivery Cost"
  - MSES will determine the "Remaining Delivery Cost" for each month of the Delivery Period after the Old Reset Period. The Remaining Delivery Cost for the first month of the New Reset Period is the "New Remaining Delivery Cost".

- "Remaining Delivery Cost" means, for the first month of any New Reset Period (the "Determination Month"), an amount calculated by MSES equal to the net present value of a stream of monthly payments equal to the Monthly Contract Quantities multiplied by the Fixed Price for the remainder of the Delivery Period (including such Determination Month), discounted at the Reset Period Implied Rate for the New Reset Period and the Delivery Period Implied Rate for the remainder of the Delivery Period after the New Reset Period.

- Step 5: Additional Reduction Amount or changing Monthly Contract Quantities
  - If the Prior Remaining Energy Value is less than the New Remaining Delivery Cost:
    - If the Reset Period will go to the end of the Delivery Period, MSES will reduce the Monthly Contract Quantities to zero in as many months as necessary at the end of the Delivery Period (and, to the extent necessary, reduce the Monthly Contract Quantities in the last remaining month of the Reset Period to a quantity greater than zero) such that the Prior Remaining Energy Value is equal to the New Remaining Delivery Cost.
    - If the Reset Period will end prior to the end of the Delivery Period, MSES in its sole discretion may reduce the Monthly Contract Quantities as provided above.
  - If the Prior Remaining Energy Value is greater than the New Remaining Delivery Cost:
    - Subject to the following bullet, MSES will pay to Issuer the amount, if any, by which (A) the Prior Remaining Energy Value exceeds (B) the New Remaining Delivery Cost (the "Additional Reduction Amount") on the first day of the contemplated Interest Rate Period, which payment shall be applied by Issuer to the retirement of Bonds.
    - Notwithstanding the immediately prior bullet, MSES may elect to retain a portion of the Excess Amount if (i) the Reset Period will end prior to the end of the Delivery Period, (ii) such retention does not reduce the Available Discount, and (iii) doing so is consistent with the amortization requirement of the Bonds. If MSES elects to retain a portion of such Excess Amount pursuant to the foregoing proviso, the Additional Reduction Amount shall be the portion of such Excess Amount that MSES elects to pay.
  - Any Additional Reduction Amount or changes in Monthly Contract Quantities will then be included in calculating the New Remaining Delivery Cost. An Additional Reduction Amount will reduce the Prior Remaining Energy Value for this purpose.
  - Once the New Reset Period goes into effect, Attachment 1 hereto will be amended such that the Remaining Energy Value for each month in the New Reset Period and the remainder of the Delivery Period is equal to the

Remaining Delivery Cost for such month as determined under Step 4 and updated under this Step 5.

- Step 6: Determine the Fixed Rate for the Bonds for the term of such contemplated Interest Rate Period
    - The remarketing agent or underwriter of the Bonds for such contemplated Interest Rate Period will specify the Fixed Rate.
    - "Fixed Rate" means, for any New Reset Period, the fixed rate or rates of interest payable by Issuer with respect to a Series of Bonds or, in the case of a Series of Variable Rate Bonds (as defined in the Indenture), the fixed rate payable by Issuer under the related fixed rate swap transaction, which Fixed Rates will be determined on the Bond Pricing Date at a rate sufficient to enable all the Bonds to be sold or remarketed on such Bond Pricing Date in accordance with the Indenture (which sale price may include a premium or discount to par), as determined based on market information then available.

- Step 7: Determine Monthly Discount Portion of Available Discount
    - MSES will determine the Monthly Discount portion of the Available Discount for the Reset Period based on the expected differences between monthly revenues and monthly debt service and other obligations of the Energy Project (as defined in the Indenture).

- Step 8: Determine Annual Refund Portion of Available Discount
    - MSES and Issuer shall mutually agree upon the projected Annual Refund (as defined in the Power Supply Contract) for the Reset Period, which shall be determined consistent with Section 3.2 of the Power Supply Contract and shall be the remaining portion of the Available Discount.

Attachment 1 to Appendix A

REMAINING ENERGY VALUES

[To be attached.]

PRELIMINARY OFFICIAL STATEMENT DATED [_____ __], 2023

Chapman Draft 10.__.23

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW ISSUE - BOOK-ENTRY ONLY **RATING: (SEE "RATING" HEREIN)**

In the opinion of Ballard Spahr LLP, Bond Counsel to CCCFA, interest on the Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of federal tax laws. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations for tax years beginning after December 31, 2022. Bond Counsel is also of the opinion that, based upon existing laws, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

[CCCFA LOGO]/[KESTREL LOGO]	$[_____]* CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY CLEAN ENERGY PROJECT REVENUE BONDS		
	$_____ SERIES 2023[_]-1 (GREEN BONDS) (TERM RATE)	$_____ SERIES 2023[_]-2 (GREEN BONDS) (SIFMA INDEX RATE)	$_____ SERIES 2023[_]-3 (GREEN BONDS) (SOFR INDEX RATE)

DATED: Date of Delivery **DUE: As shown on the inside cover**

California Community Choice Financing Authority (*"CCCFA"*) is issuing its Clean Energy Project Revenue Bonds, Series 2023[_]-1 (Green Bonds) (Term Rate) (the "*Series 2023[_]-1 Bonds*"), its Clean Energy Project Revenue Bonds, Series 2023[_]-2 (Green Bonds) (SIFMA Index Rate) (the "*Series 2023[_]-2 Bonds*") and its Clean Energy Project Revenue Bonds, Series 2023[_]-3 (Green Bonds) (SOFR Index Rate) (the "*Series 2023[_]-3 Bonds*" and, together with the Series 2023[_]-1 Bonds and Series 2023[_]-2, the *"Bonds"*), under a Trust Indenture between CCCFA and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Bonds will be issued in book-entry form through the facilities of The Depository Trust Company (*"DTC"*). Purchases of the Bonds will be made in book-entry form through DTC participants in denominations of $5,000 or any multiple thereof. Payments of principal of, premium, if any, and interest on the Bonds will be made directly to DTC and will subsequently be disbursed to DTC participants and thereafter to Beneficial Owners of the Bonds, all as described herein. Capitalized terms used and not otherwise defined on this cover page have the meanings set forth herein.

From their Initial Issue Date to and including [_____ __], 20[__]* (the *"Initial Interest Rate Period"*), the Series 2023[_]-1 Bonds will bear interest in a Term Rate Period, the Series 2023[_]-2 Bonds will bear interest in a SIFMA Index Rate Period and the Series 2023[_]-3 Bonds will bear interest in a SOFR Index Rate Period, as shown on the inside cover page and described herein. During the Initial Interest Rate Period, interest on the Series 2023[_]-1 Bonds is payable semiannually on each [_____] 1 and [_____] 1, commencing [_____] 1, 2024* and interest on the Series 2023[_]-2 Bonds and the Series 2023[_]-3 Bonds is payable on the first Business Day of each month, commencing on the first Business Day of [_____] 202[_]*. The Bonds are subject to optional and extraordinary mandatory redemption during the Initial Interest Rate Period, and the Bonds of each Series maturing on [_____], 1, 205[_] are subject to mandatory tender for purchase on [_____] 1, 20[__]* (the *"Mandatory Purchase Date"*).

Proceeds of the Bonds will be used to prepay the costs of the acquisition of EPS Compliant Energy to be delivered over approximately 30 years under a Prepaid Energy Sales Agreement (the *"Prepaid Energy Sales Agreement"*), between Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company (*"MSES"* or the "*Energy Supplier*") and CCCFA. "*EPS Compliant Energy*" means three-phase, 60-cycle alternating current electric energy ("*Energy*") that the Project Participant (hereinafter defined) can contract for and purchase in compliance with California's Emissions Performance Standards (*"EPS"*), as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law, that are applicable to such Project Participant. Pursuant to the Prepaid Energy Sales Agreement, MSES is obligated to deliver specified quantities of EPS Compliant Energy to CCCFA (the *"Prepaid Energy"*), make certain payments for any Prepaid Energy not delivered, remarket quantities of Base Energy (defined herein) in respect of Prepaid Energy not taken by the Project Participant and make a Termination Payment upon any early termination of the Prepaid Energy Sales Agreement in whole or in part. Any such Termination Payment (defined herein) will be applied to the mandatory redemption of the Bonds in whole or in part, as applicable. The payment obligations of MSES under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein (as defined herein), and the Interest Rate Swap are unconditionally guaranteed by Morgan Stanley, a Delaware corporation (*"Morgan Stanley"*).

CCCFA will sell all of the Prepaid Energy acquired under the Prepaid Energy Sales Agreement to Silicon Valley Clean Energy Authority (*"SVCE"* or the *"Project Participant"*) under a Power Supply Contract (the *"Power Supply Contract"*) between CCCFA and the Project Participant. Under the terms of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant may assign its rights to the delivery of EPS Compliant Energy under existing and future power purchase agreements to MSES or to Morgan Stanley Capital Group, Inc. (*"MSCG"*) for ultimate delivery of such EPS Compliant Energy from such agreements to the Project Participant. The Project Participant has entered into a limited assignment agreement relating to specific power purchase agreement(s) as of the Date of Delivery.

The Bonds have been designated "Green Bonds". See "DESIGNATION OF BONDS AS GREEN BONDS" and Second Party Opinion by Kestrel Verifiers set forth herein.

THE PAYMENT OF THE BONDS IS NOT GUARANTEED BY THE ENERGY SUPPLIER, MSCG, MORGAN STANLEY, THE UNDERWRITER, THE COMMODITY SWAP COUNTERPARTY, THE INVESTMENT AGREEMENT PROVIDER, CCCFA OR ITS MEMBERS, OR THE PROJECT PARTICIPANT. THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF

* Preliminary, subject to change.

CCCFA, THE MEMBERS OF CCCFA, THE PROJECT PARTICIPANT, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OF THE STATE AND NEITHER THE FAITH AND CREDIT OF CCCFA NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO PAYMENTS PURSUANT TO THE INDENTURE OR THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCCFA, PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE.

This Official Statement describes the Bonds only during the Initial Interest Rate Period and must not be relied upon if the Bonds are converted to any other interest rate period. The purchase and ownership of the Bonds involve investment risk and may not be suitable for all investors. This cover page is not intended to be a summary of the terms of or the security for the Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds, giving particular attention to the matters discussed under "INVESTMENT CONSIDERATIONS" herein.

The Bonds are offered, when, as and if issued by CCCFA and accepted by the Underwriter, subject to the approval of validity by Ballard Spahr LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for CCCFA by its General Counsel, for the Project Participant by Chapman and Cutler LLP; for the Energy Supplier by Sheppard, Mullin, Richter & Hampton LLP; and for the Underwriter by Nixon Peabody LLP. It is expected that the Bonds will be available for delivery through the facilities of DTC on or about [_____], 2023.

Morgan Stanley

This Official Statement is dated _____, 2023.

$[_____]*
CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
CLEAN ENERGY PROJECT REVENUE BONDS

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS[1]

$_____ SERIES 2023[_]-1 BONDS
(TERM RATE)

$_____ SERIAL BONDS

MATURITY DATE	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	CUSIP
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				
[_____] 1, 20[__]				

$_____ ____% Term Bond due [_____], 1, 205[_][2], Yield: ____%, CUSIP _____

$_____ SERIES 2023[_]-2 BONDS
(SIFMA INDEX RATE)

MATURITY DATE	INDEX	APPLICABLE SPREAD[3]	CUSIP
[_____], 1, 205[_][2]	SIFMA Index	__ basis points	_____

$_____ SERIES 2023[_]-3 BONDS
(SOFR INDEX RATE)

MATURITY DATE	APPLICABLE FACTOR[4]	INDEX	APPLICABLE SPREAD[3]	CUSIP
[_____], 1, 205[_][2]		SOFR Index		

---

* Preliminary; subject to change.

1 CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above have been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and are included solely for the convenience of bondholders only. CCCFA and the Underwriter make no representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to a refunding in whole or in part of the Bonds.

2 The Bonds of each Series maturing on [_____], 1, 205[_] are required to be tendered for purchase on [_____] 1, 20[__]*.

3 Applicable Spread means, (i) with respect to the Series 2023[_]-2 Bonds, the margin added to the SIFMA Municipal Swap Index to determine the SIFMA Index Rate and (ii) with respect to the Series 2023[_]-3 Bonds, the margin added to the product of the Applicable Factor and the SOFR Index to determine the SOFR Index Rate. The Applicable Spread will remain constant for the duration of the initial SIFMA Index Rate Period and the initial SOFR Index Rate Period. See "THE BONDS – Series 2023[_]-2 Bonds" and "Series 2023[_]-3 Bonds" herein.

4 Applicable Factor means the percentage or factor of the SOFR Index used to calculate the SOFR Index Rate for the Series 2023[_]-3 Bonds. The Applicable Factor will remain constant for the duration of the initial SOFR Index Rate Period. See "THE BONDS – Series 2023[_]-3 Bonds" herein.

The information contained in this Official Statement has been obtained from CCCFA, the Project Participant, the Energy Supplier, MSCG, Morgan Stanley, the Commodity Swap Counterparty, DTC and other sources believed to be reliable. This Official Statement is submitted in connection with the sale of the securities described herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement speaks only as of its date and the information contained in this Official Statement is subject to change without notice and neither the delivery of this Official Statement nor any sale made by means of it shall, under any circumstances, create any implication that there have not been changes in the affairs of any party since the date of this Official Statement.

No broker, dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by CCCFA or the Underwriter. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other government entity or agency has or will have passed upon the adequacy of this Official Statement or, except for CCCFA, approved the Bonds for sale.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. No commission or authority has confirmed the accuracy or determined the adequacy of this document.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE MARKET PRICES OF THE BONDS. SUCH TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

CCCFA and the Project Participant each maintain a website and certain social media accounts. However, the information presented on such website and on such accounts is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 of the United States Securities and Exchange Commission.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "project," "expect," "anticipate," "intend," "believe," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. CCCFA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

1125 TAMALPAIS AVENUE
SAN RAFAEL, CA 94901

BOARD OF DIRECTORS

Nick Chaset, Chair

Girish Balachandran, Vice Chair

Garth Salisbury, Member

Tom Habashi, Member

MANAGEMENT

Garth Salisbury, Treasurer/Controller

Michael Callahan, General Counsel

MEMBERS

Central Coast Community Energy

Clean Power Alliance of Southern California

East Bay Community Energy Authority

Marin Clean Energy

Pioneer Community Energy

Silicon Valley Clean Energy Authority

PROJECT PARTICIPANT

Silicon Valley Clean Energy Authority

GREEN BONDS EXTERNAL REVIEWER

Kestrel Verifiers

BOND COUNSEL

Ballard Spahr LLP

PROJECT PARTICIPANT'S COUNSEL

Chapman and Cutler LLP

TRUSTEE

The Bank of New York Mellon Trust Company, N.A

FINANCIAL ADVISOR

PFM Financial Advisors LLC

[This Page Intentionally Left Blank]

INTRODUCTION 1
California Community Choice Financing Authority 1
The Bonds 1
Security for the Bonds 2
The Clean Energy Project 3
The Project Participant 4
The Prepaid Energy Sales Agreement 4
The Receivables Purchase Provisions 6
The Power Supply Contract 6
Re-Pricing Agreement 7
Interest Rate Swap 7
Commodity Swaps 7
Morgan Stanley Guarantees 8
The Energy Supplier, MSCG and Morgan Stanley 8
Certain Relationships 9
THE CLEAN ENERGY PROJECT 10
Assignment of Power Purchase Agreements by the Project Participant 10
Structure of the Clean Energy Project 11
CLEAN ENERGY PROJECT TRANSACTION STRUCTURE 13
DESIGNATION OF BONDS AS GREEN BONDS 14
Green Bonds Designation 14
Independent Second Party Opinion on Green Bond Designation and Disclaimer 14
INVESTMENT CONSIDERATIONS 14
Special and Limited Obligations 14
Structure of the Clean Energy Project 15
Performance by Others 15
Energy Remarketing 17
Limitations on Exercise of Remedies 17
Enforceability of Contracts 17
No Established Trading Market 18
Loss of Tax Exemption on the Bonds 18
Certain Risks of SOFR Index Rate Bonds 18
SECURITY FOR THE BONDS 19
The Indenture 19
Flow of Funds 21
Debt Service Fund - Debt Service Account 22
Administrative Fee Fund 23
Commodity Swap Payment Fund 23
Debt Service Fund - Redemption Account 23
Restriction on Additional Obligations 23
Amendment of Indenture 24
Investment of Funds 24

TABLE OF CONTENTS

Page

Enforcement of Project Agreements 25
SOURCES AND USES OF FUNDS 28
THE BONDS 29
General 29
Interest 29
Tender 33
Redemption* 34
Book-Entry System 38
DEBT SERVICE REQUIREMENTS 39
THE PREPAID ENERGY SALES AGREEMENT 39
Purchase and Sale 39
Delivery of Prepaid Energy 39
Assignment of Power Purchase Agreements 40
Failure to Deliver or Receive Energy 40
Energy Remarketing 41
Remarketing Non-Default Termination Event 42
Payment Provisions 42
Force Majeure 42
Assignment 42
Termination 43
Termination Payment 45
Security 45
Receivables Purchase Provisions 45
THE INTEREST RATE SWAP 46
General 46
Payments Under the Interest Rate Swap 46
Events of Default and Termination Events under the Interest Rate Swap 46
THE RE-PRICING AGREEMENT 47
General 47
THE ENERGY SUPPLIER, MSCG AND MORGAN STANLEY 48
THE POWER SUPPLY CONTRACT 48
General 48
Pricing Provisions 49
Project Administration Fee 49
Assignment of Power Purchase Agreements 50
Billing and Payment 50
Annual Refunds 50
Covenants of the Project Participant 51
Delivery Points; Title and Risk of Loss 51

TABLE OF CONTENTS

Page

Failure to Perform 52
Remarketing of Energy 52
Force Majeure 52
Default 52
Assignment 53

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY 53

General 53
Powers and Authority 54
Governance and Management 55
Other CCCFA Projects 55
Separate Obligations 56
Limited Liability 56

COMMUNITY CHOICE AGGREGATORS 56

General 56
Establishment of Community Choice Aggregators 57
Community Choice Service Model 57
Service Contract Requirements and Registration with the Public Utilities Commission 57
Customer Participation and Opt-out Rights 57
Regulatory Compliance 57
Cost Recovery Related to Transfer of Customers to a CCA 58

THE COMMODITY SWAPS 58

CCCFA Commodity Swap 58
Form of Commodity Swaps and Term 59
Payment 59
Early Termination 59
Custodial Agreements 63

THE COMMODITY SWAP COUNTERPARTY 64

CONTINUING DISCLOSURE 65

LITIGATION 65

FINANCIAL STATEMENTS 66

FINANCIAL ADVISOR 66

UNDERWRITING 66

CERTAIN RELATIONSHIPS 67

RATING 67

TAX MATTERS 68

APPROVAL OF LEGAL MATTERS 69

MISCELLANEOUS 70

APPENDIX A — THE PROJECT PARTICIPANT
APPENDIX B — DEFINITIONS OF CERTAIN TERMS
APPENDIX C — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE
APPENDIX D — FORM OF CONTINUING DISCLOSURE UNDERTAKING
APPENDIX E — FORM OF OPINION OF BOND COUNSEL
APPENDIX F — FORM OF SECOND PARTY OPINION REGARDING GREEN BOND DESIGNATION
APPENDIX G — BOOK-ENTRY SYSTEM
APPENDIX H — REDEMPTION PRICE OF THE BONDS
APPENDIX I — SCHEDULE OF TERMINATION PAYMENTS

[This Page Intentionally Left Blank]

OFFICIAL STATEMENT

$[_____]*
CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY
CLEAN ENERGY PROJECT REVENUE BONDS
SERIES 2023[_]

INTRODUCTION

This Official Statement, which includes the cover page and appendices attached hereto, contains information concerning (a) California Community Choice Financing Authority (*"CCCFA"* or the *"Issuer"*), (b) CCCFA's Clean Energy Project Revenue Bonds, Series 2023[_]-1 (Green Bonds) (Term Rate) (the "*Series 2023[_]-1 Bonds*"), CCCFA's Clean Energy Project Revenue Bonds, Series 2023[_]-2 (Green Bonds) (SIFMA Index Rate) (the "*Series 2023[_]-2 Bonds*") and CCCFA's Clean Energy Project Revenue Bonds, Series 2023[_]-3 (Green Bonds) (SOFR Index Rate) (the "*Series 2023[_]-3 Bonds*" and, together with the Series 2023[_]-1 Bonds and the Series 2023[_]-2 Bonds, the *"Bonds"*), being issued in the aggregate principal amount of $[_____]* and (c) the Clean Energy Project (defined below) being financed with proceeds of the Bonds. Capitalized terms used herein have the meanings shown in APPENDIX B.

California Community Choice Financing Authority

California Community Choice Financing Authority is a joint powers agency formed by the Project Participant, East Bay Community Energy Authority, Marin Clean Energy, Clean Power Alliance of Southern California, Pioneer Community Energy and Central Coast Community Energy, each a community choice aggregator organized and existing under the laws of the State of California (the *"State"*). CCCFA is organized and existing pursuant to the laws of the State with the power to issue the Bonds and enter into the transaction documents described herein. CCCFA is authorized to undertake all actions permitted by Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended and supplemented (the *"Act"*), including the purchase of the Prepaid Energy and the sale thereof to the Project Participant, and the entry into of the related agreements described herein (referred to herein as the *"Clean Energy Project"*). See "CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY" and "COMMUNITY CHOICE AGGREGATORS" herein.

The Bonds

The Bonds will be issued in three separate Series:

(a) $_____ Clean Energy Project Revenue Bonds, Series 2023[_]-1 (Term Rate) (the *"Series 2023[_]-1 Bonds"*),

(b) $_____ Clean Energy Project Revenue Bonds, Series 2023[_]-2 (SIFMA Index Rate) (the *"Series 2023[_]-2 Bonds"*), and

(c) $_____ Clean Energy Project Revenue Bonds, Series 2023[_]-3 (SOFR Index Rate) (the *"Series 2023[_]-3 Bonds"*).

---

* Preliminary; subject to change.

The Series 2023[_]-2 Bonds and the Series 2023[_]-3 Bonds are sometimes referred to herein as the *"Index Rate Bonds."*

From their Initial Issue Date to and including [_____ __], 20[__]* (the *"Initial Interest Rate Period"*):

(a) the Series 2023[_]-1 Bonds will bear interest in a Term Rate Period, with interest payable semiannually on each [_____] 1 and [_____] 1, commencing [_____] 1, 2024*,

(b) the Series 2023[_]-2 Bonds will bear interest at the SIFMA Index Rate in a SIFMA Index Rate Period, with interest payable on the first Business Day of each month, commencing on the first Business Day of [_____] 202[_]*, and

(c) the Series 2023[_]-3 Bonds will bear interest at the SOFR Index Rate in a SOFR Index Rate Period, with interest payable on the first Business Day of each month, commencing on the first Business Day of [_____] 202[_]*;

all as shown on the inside cover page and as described herein. See "THE BONDS".

The Bonds are subject to optional redemption and extraordinary mandatory redemption during the Initial Interest Rate Period, and the Bonds maturing on [_____], 1, 205[_] are required to be tendered for purchase on [_____] 1, 20[__]* (the "Mandatory Purchase Date"), which is the day following the end of the Initial Interest Rate Period. The Purchase Price of Bonds on the Mandatory Purchase Date is equal to the principal amount thereof on such date and is payable in immediately available funds. Under the Indenture, a "Failed Remarketing" means, (a) with respect to Bonds on any Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem the Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund) or (b) with respect to the Bonds (i) if, on the last day of the second calendar month preceding the Mandatory Purchase Date (i.e., the last day of the Initial Reset Period described below), CCCFA has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of the Bonds, or (ii) if the conditions described in (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by 12:00 noon, New York City time, on the fifth Business Day preceding the Mandatory Purchase Date. A Failed Remarketing will result in early termination of the Prepaid Energy Sales Agreement and the extraordinary redemption of the Bonds on the Mandatory Purchase Date. See "THE BONDS—*Redemption*" and "*—Tender—Mandatory Tender*".

Security for the Bonds

The Bonds are issued pursuant to the authority contained in the Act and are issued and secured under a Trust Indenture, to be dated as of the first day of the month in which the Bonds are issued (the *"Indenture"*), between CCCFA and The Bank of New York Mellon Trust Company, N.A., as trustee (the *"Trustee"*). The Bonds are special and limited obligations of CCCFA, are payable solely from and secured solely by the Trust Estate pledged by the Indenture and are expected to be paid from the Revenues of the Clean Energy Project.

* Preliminary; subject to change.

The payment of the principal of and premium, if any, and interest on the Bonds and the payment of the Interest Rate Swap Payments (hereinafter defined) are secured by a pledge of all right, title and interest of CCCFA in and to the Trust Estate established by the Indenture, which Trust Estate (among other things) includes CCCFA's rights under the Power Supply Contract (except for the right to receive the Project Administration Fee), the Revenues, any Termination Payment payable by the Energy Supplier under the Prepaid Energy Sales Agreement, CCCFA's rights under the Receivables Purchase Provisions (as defined herein) and the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein. The pledge of and lien on the Trust Estate in favor of the Bonds is subject to certain provisions of the Indenture. The Bonds are expected to be paid from the Revenues which (among other things) include the revenues received by CCCFA from the sale of Prepaid Energy under the Power Supply Contract, Commodity Swap Receipts received by the Trustee on behalf of CCCFA under the CCCFA Commodity Swap and interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund. The Revenues are to be applied in accordance with the priorities established under the Indenture, including the payment from the Revenues of the Operating Expenses (as defined herein) of the Clean Energy Project. The Indenture includes provisions for the application of various other amounts under Clean Energy Project that do not constitute Revenues

Among other funds and accounts, the Indenture establishes a Revenue Fund, an Operating Fund, a Debt Service Account within the Debt Service Fund and a Commodity Swap Payment Fund, and establishes the funding requirements therefor. Scheduled Debt Service Deposits are required to made into the Debt Service Account and will be initially invested pursuant to the Debt Service Account Investment Agreement described herein. See "SECURITY FOR THE BONDS—*Investment of Funds*".

THE BONDS DO NOT CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF CCCFA, THE MEMBERS OF CCCFA, THE STATE, THE PROJECT PARTICIPANT, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF CCCFA PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE, IN THE MANNER AND TO THE EXTENT PROVIDED FOR IN THE INDENTURE. CCCFA HAS NO TAXING POWER. SEE "SECURITY FOR THE BONDS".

The Clean Energy Project

CCCFA is issuing the Bonds to finance the Clean Energy Project, which includes the cost of acquisition of a 30-year supply of EPS Compliant Energy (the "*Prepaid Energy*") under a Prepaid Energy Sales Agreement between CCCFA and Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company (the *"Energy Supplier"* or *"MSES"*) and the sale thereof to the Project Participant as hereinafter described. The Clean Energy Project is structured to assist the Project Participant to procure a long-term supply of EPS Compliant Energy at attractive prices. In order to do so, the Clean Energy Project includes a feature whereby the Project Participant will assign to the Energy Supplier, or to Morgan Stanley Capital Group Inc. *("MSCG"*), a portion of the Project Participant's rights and obligations (the *"Assigned Rights and Obligations"*) to receive certain quantities *("Assigned Quantities"*) of EPS Compliant Energy (*"Assigned Energy"*), which assignments may include associated Green Attributes (as defined in

APPENDIX B hereto), renewable energy credits *("RECs")*, capacity, or other related products (collectively, *"Assigned Products"*) under existing and future power purchase agreements *("PPAs")*. With respect to any such assignment to MSCG, MSCG will redeliver such Assigned Energy and other Assigned Products to the Energy Supplier to meet the Energy Supplier's obligations to deliver Prepaid Energy to CCCFA under the Prepaid Energy Sales Agreement. CCCFA will then deliver such Assigned Energy and other Assigned Products to the Project Participant under its Power Supply Contract. See "THE CLEAN ENERGY PROJECT".

The Prepaid Energy Sales Agreement, the Power Supply Contract, the Debt Service Account Investment Agreement, the Commodity Swaps, the Interest Rate Swap, the Indenture, the Receivables Purchase Provisions, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, Morgan Stanley, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the payments due under the Interest Rate Swap and the CCCFA Commodity Swap.

For a summary of certain terms and provisions of the Prepaid Energy Sales Agreement, see "THE PREPAID ENERGY SALES AGREEMENT".

The Project Participant

CCCFA has entered into a Power Supply Contract (the *"Power Supply Contract"*) for the sale of the Prepaid Energy with Silicon Valley Clean Energy Authority (*"SVCE"*), a joint powers authority and a community choice aggregator duly organized and existing under the laws of the State of California (the *"Project Participant"*). See "COMMUNITY CHOICE AGGREGATORS" for certain information with respect to California community choice aggregators. During the Delivery Period, the Project Participant will use the Prepaid Energy it purchases from CCCFA for sale to retail customers located in its established service area. For a summary of certain terms and provisions of the Power Supply Contract, see "THE POWER SUPPLY CONTRACT". See APPENDIX A for certain information with respect to the Project Participant.

The Prepaid Energy Sales Agreement

General. During the Delivery Period, the Prepaid Energy Sales Agreement provides for the annual delivery of the Prepaid Quantities of EPS Compliant Energy. To the extent the Assigned Quantities delivered under the Initially Assigned PPA or any future Assigned PPA for any month is less than the Monthly Projected Quantity for such month, the Energy Supplier will be obligated to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the Day-Ahead Market Price during the Initial EPS Energy Period and thereafter the Day-Ahead Average Price (any such payment, a "*Provisional Payment*"). Other than the Energy Supplier's Provisional Payment obligation, neither CCCFA nor the Energy Supplier will have any liability or other obligation to one another for any failure to schedule, receive or deliver Assigned Energy, as further discussed under "The Prepaid Energy Sales Agreement — *Assignment of Power Purchase Agreements*" herein. To the extent that EPS Compliant Energy is not available for delivery pursuant to the Prepaid Agreement, MSES's obligation to deliver the Assigned Products will be replaced with an obligation to deliver firm (LD) energy ("*Base Energy*"), and the Energy Supplier is obligated to remarket Base Energy under the Prepaid Energy Sales Agreement and remit the proceeds thereof to CCCFA. The Energy Supplier is also obligated to make payments to CCCFA for Base

Energy not delivered or remarketed under the Prepaid Energy Sales Agreement, including for *Force Majeure* events.

Replacement of Initially Assigned PPA. In the event of any expiration, termination or anticipated termination of the Initial Assigned Rights and Obligations, the Project Participant is required to use Commercially Reasonable Efforts to assign replacement Assigned Rights and Obligations to MSCG for delivery of Assigned Energy equal to the Prepaid Quantities ("*Replacement Assigned Rights and Obligations*"). **Assigned Rights and Obligations are expected to be in place for the entirety of the Initial Reset Period, and Base Energy is not expected to be delivered during the Initial Reset Period.**

Provisional Payments and Energy Remarketing. In the event Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under an Assigned PPA, the Energy Supplier will be obligated to pay the Provisional Payment to CCCFA. To the extent that the Energy Supplier makes a Provisional Payment to CCCFA and the Annual Quantity is not delivered in full within the applicable Contract Year, such Provisional Payment will be deemed a remarketing and treated as a purchase by the Energy Supplier for its own account and will constitute a private-business use sale. In such case, the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of Energy. To the extent the Project Participant has not remediated the proceeds of such sales within twelve months of when the remarketing sale is deemed to occur, MSES is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to Municipal Utilities.

In the event of any expiration or termination of an Assigned PPA, the Project Participant is required to use Commercially Reasonable Efforts to enter into a new limited assignment agreement relating to one or more additional PPAs, providing for the assignment of its rights to delivery of quantities of EPS Compliant Energy equivalent to the Prepaid Quantities for the term of such assignment. To the extent the Project Participant exercises Commercially Reasonable Efforts to enter into such a limited assignment but is unable to do so, then, subject to certain conditions, MSES shall be obligated remarket Base Energy and purchase such Base Energy for its own account at the applicable index price, and the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of energy. Otherwise, to the extent that the Project Participant has not exercised commercially reasonable efforts to enter into a limited assignment agreement for the redelivery of EPS Compliant Energy under its Power Supply Contract, MSES is required to use Commercially Reasonable Efforts to remarket equivalent quantities of Base Energy to Municipal Utilities for a Qualifying Use at a net price not less than the Contract Price. See "THE PREPAID ENERGY SALES AGREEMENT – *Energy Remarketing*" and "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*".

Base Energy is not expected to be delivered during the Initial Reset Period.

Early Termination. Various termination events are specified in the Prepaid Energy Sales Agreement. Upon the occurrence of certain of these events, the Prepaid Energy Sales Agreement may be terminated by CCCFA or MSES, and upon the occurrence of certain other events including a Failed Remarketing, the Prepaid Energy Sales Agreement will terminate automatically. If the Prepaid Energy Sales Agreement is terminated, MSES will be required to pay a scheduled termination payment (the *"Termination Payment"*) to CCCFA. Any termination of the Prepaid Energy Sales Agreement will result in extraordinary mandatory redemption of the Bonds. The amount of the Termination Payment declines over time as MSES performs its Energy delivery obligations under the Prepaid Energy Sales Agreement.

The amount of the Termination Payment, together with the amounts required to be on deposit in certain funds and accounts held by the Trustee, has been calculated to provide a sum at least sufficient to pay the Redemption Price of the Bonds, assuming that the Energy Supplier and the Investment Agreement Provider pay and perform their contract obligations when due, or in the event of nonpayment by the Energy Supplier, payment by Morgan Stanley under the Morgan Stanley Guarantees. A payment shortfall from any one of these entities could result in a payment shortfall to Bondholders.

See "THE PREPAID ENERGY SALES AGREEMENT" and "THE BONDS — *Redemption — Extraordinary Mandatory Redemption*". A schedule of the monthly Termination Payment during the initial Reset Period under the Prepaid Energy Sales Agreement is attached as APPENDIX I.

The Receivables Purchase Provisions

The Prepaid Energy Sales Agreement contains provisions (the *"Receivables Purchase Provisions"*) designed to mitigate the risk of non-payment by the Project Participant under the Power Supply Contract. Upon a payment default by the Project Participant, the Receivables Purchase Provisions require CCCFA to put, and require MSES, as Receivables Purchaser, to purchase the amount owed by the defaulting Project Participant (the *"Put Receivables"*) with a face value up to the amount due from the Project Participant for any two consecutive months. Amounts received by the Trustee from the sale of Put Receivables will be deposited into the Revenue Fund and applied in accordance with the priorities established under the Indenture. See "SECURITY FOR THE BONDS—*Flow of Funds*".

See "THE PREPAID ENERGY SALES AGREEMENT—*Receivables Purchase Provisions*".

The Power Supply Contract

The Power Supply Contract provides for the sale to the Project Participant of the Prepaid Energy to be delivered to CCCFA over the term of the Prepaid Energy Sales Agreement. Such Prepaid Energy will be comprised of the Assigned Quantities under Assigned PPAs and, to the extent such Assigned Quantities are less than the Prepaid Quantities for any measurement period specified in the Power Supply Contract and MSES is otherwise unable to deliver make-up quantities of EPS Compliant Energy, Base Energy. Under the Power Supply Contract, CCCFA has agreed to deliver, and the Project Participant has agreed to purchase, such Assigned Quantities and to cause the remarketing of any Base Energy during the Delivery Period. Base Energy is required to be remarketed under the Prepaid Energy Sales Agreement, subject to the requirements set forth therein. In the event that the Energy Supplier is unable to remarket any such Base Energy, the Energy Supplier has agreed to purchase such Base Energy for its own account.

The payments required to be made under the Power Supply Contract, together with any net amounts received by CCCFA under the CCCFA Commodity Swap and Interest Rate Swap described below, constitute the primary and expected source of the Revenues pledged to the payment of the Bonds. The obligations of the Project Participant under the Power Supply Contract are payable solely from revenues of the Project Participant derived from its community choice aggregator power supply operations. Under the Power Supply Contract, the Project Participant makes payments directly to the Trustee for deposit into the Revenue Fund. See "THE POWER SUPPLY CONTRACT".

THE OBLIGATION OF THE PROJECT PARTICIPANT TO MAKE PAYMENTS TO CCCFA UNDER THE POWER SUPPLY CONTRACT IS NOT, NOR SHALL IT BE CONSTRUED

AS, A GUARANTY OR ENDORSEMENT OF OR A SURETY FOR, THE BONDS. SUCH OBLIGATION OF THE PROJECT PARTICIPANT IS NOT A GENERAL OBLIGATION OF THE PROJECT PARTICIPANT AND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM SALES OF ENERGY TO THEIR CUSTOMERS. THE INDENTURE DOES NOT MORTGAGE THE CLEAN ENERGY PROJECT OR ANY TANGIBLE PROPERTIES OR ASSETS OF CCCFA OR THE PROJECT PARTICIPANT.

Re-Pricing Agreement

On the initial issue date of the Bonds, CCCFA and the Energy Supplier will enter into a Re-Pricing Agreement (the *"Re-Pricing Agreement"*), which provides for (a) the determination of Energy Delivery Periods subsequent to the initial Delivery Period to correspond to the related Interest Rate Periods on the Bonds (*"Reset Periods"*) and (b) the determination of the amount of the discount (in US Dollars per MWh) to the Index Price that will be available for such Reset Period (the *"Available Discount"*) for sales of Energy to the Project Participant under the Power Supply Contract during each Reset Period.

The Initial Reset Period under the Prepaid Energy Sales Agreement ends one month before the end of the Initial Interest Rate Period, and each subsequent Reset Period will end one month before the end of the corresponding Interest Rate Period. The Initial Reset Period begins on the first day of [_____] 202[_] and ends on the last day of [_____] 20[__]* (the "*Initial Reset Period*"). See "The RE-PRICING AGREEMENT".

Interest Rate Swap

With respect to any Index Rate Bonds that are issued, CCCFA will enter into an interest rate swap agreement (the *"Interest Rate Swap"*) with MSES, as Interest Rate Swap Counterparty, in order to match its payment obligations on the Index Rate Bonds with the expected Revenues of the Clean Energy Project. Under the Interest Rate Swap, CCCFA will pay amounts corresponding to the principal amount of the Index Rate Bonds at a fixed interest rate and will receive from MSES amounts corresponding to the principal amount of the Index Rate Bonds at a floating rate equal to the interest rates on the Index Rate Bonds. The term of the Interest Rate Swap will extend for the term of the Initial Interest Rate Period. See "THE INTEREST RATE SWAP".

Commodity Swaps

CCCFA Commodity Swap. CCCFA has entered into the CCCFA Commodity Swap under which CCCFA will pay a floating Energy price at a specified pricing point and will receive a fixed Energy price for the monthly notional quantities specified in the CCCFA Commodity Swap.

MSES Commodity Swap. MSES has entered into the MSES Commodity Swap with the same Commodity Swap Counterparty under which MSES pays a fixed price and the Commodity Swap Counterparty pays a floating price. The notional energy quantities under the MSES Commodity Swap match those under the CCCFA Commodity Swap and, accordingly, those under the Prepaid Energy Sales Agreement.

* Preliminary; subject to change.

Term. The Commodity Swaps extend for the term of the delivery period under the Prepaid Energy Sales Agreement, but are subject to early termination upon the occurrence of certain events. Termination of either of the Commodity Swaps without replacement by CCCFA and MSES will give rise to early termination rights under, and in some cases result in automatic termination of, the Prepaid Energy Sales Agreement, which would result in the extraordinary mandatory redemption of the Bonds pursuant to the Indenture.

Commodity Swap Counterparty. The commodity swap counterparty is Natixis, a bank and joint stock company with a Board of Directors duly organized and existing under the laws of France (the "*Commodity Swap Counterparty*"). For a description of certain provisions of the Commodity Swaps, see "THE COMMODITY SWAPS." For information regarding the Commodity Swap Counterparty, see "THE COMMODITY SWAP COUNTERPARTY."

Custodial Agreements. CCCFA will enter into a Custodial Agreement (the *"CCCFA Custodial Agreement"*), with the Commodity Swap Counterparty, the Trustee and the Custodian to administer payments under the CCCFA Commodity Swap. MSES will enter into a separate Custodial Agreement (the *"MSES Custodial Agreement,"* and together with the MSES Custodial Agreement, the *"Custodial Agreements"*), with the Commodity Swap Counterparty, the Trustee and the Custodian, to administer payments under MSES Commodity Swap. The Custodial Agreements contain provisions designed to mitigate risks to CCCFA and Bondholders resulting from a failure of the Commodity Swap Counterparty to make payments to CCCFA under the CCCFA Commodity Swap, and mitigate risks to MSES resulting from a failure of the Commodity Swap Counterparty to make payments to MSES under the MSES Commodity Swap. See "The Commodity Swaps—Custodial Agreements."

Morgan Stanley Guarantees

The payment obligations of MSES under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, and the Interest Rate Swap are unconditionally guaranteed by Morgan Stanley under a guarantee agreement (the "*Morgan Stanley Guarantee"*). See "THE PREPAID ENERGY SALES AGREEMENT—*Security*" and "THE INTEREST RATE SWAP—*Morgan Stanley Guarantee*". The payment obligations of MSES under the MSES Commodity Swap are unconditionally guaranteed by Morgan Stanley under a separate guarantee agreement (the *"Morgan Stanley Commodity Swap Guarantee"*). See "THE COMMODITY SWAPS—*The MSES Commodity Swap*". The Morgan Stanley Guarantee and the Morgan Stanley Commodity Swap Guarantee are referred to collectively herein as the *"Morgan Stanley Guarantees."*

The Energy Supplier, MSCG and Morgan Stanley

The Energy Supplier is an indirect, wholly-owned subsidiary of Morgan Stanley. The Federal Energy Regulatory Commission (the *"FERC"*) has granted the Energy Supplier market-based rate authorization for wholesale sales of electric energy, capacity and ancillary services at market-based rates. The Energy Supplier is not registered with the Commodity Futures Trading Commission (the *"CFTC"*) in any capacity, does not engage in swap dealing activities, and does not provide advisory or structuring services relating to swaps. The payment obligations of the Energy Supplier under the Prepaid Energy Sales Agreement, the Interest Rate Swap and the MSES Commodity Swap are guaranteed by Morgan Stanley under the Morgan Stanley Guarantees.

MSCG is an indirect, wholly-owned subsidiary of Morgan Stanley. MSCG is engaged, among other things, in client facilitation and market-making activities in commodities and commodity derivative contracts. MSCG is provisionally registered as a swap dealer with the CFTC.

Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides its products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Morgan Stanley was originally incorporated under the laws of the State of Delaware in 1981, and its predecessor companies date back to 1924. Morgan Stanley conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the United States, and its principal offices in London, Tokyo, Hong Kong and other world financial centers.

See "THE ENERGY SUPPLIER, MSCG AND MORGAN STANLEY" and "THE PREPAID ENERGY SALES AGREEMENT—*Security*".

Certain Relationships

MSES, which is the Energy Supplier, the Receivables Purchaser, the counterparty to the MSES Commodity Swap and the Interest Rate Swap provider, and MSCG, which is assignee under the Assignment Agreements are indirect, wholly-owned subsidiaries of Morgan Stanley. The payment obligations of MSES under the Prepaid Energy Sales Agreement, the MSES Commodity Swap and the Interest Rate Swap, are unconditionally guaranteed by Morgan Stanley.

Morgan Stanley & Co. LLC (*"MS&Co."*) is serving as the Underwriter of the Bonds. MS&Co. is a Delaware corporation (incorporated in 1969) and is a wholly-owned subsidiary of Morgan Stanley.

The relationships described above could create one or more conflicts of interest or the appearance of such conflicts.

This Official Statement includes information regarding and descriptions of CCCFA, the Clean Energy Project, the Energy Supplier, MSCG, Morgan Stanley, the Commodity Swap Counterparty, the Project Participant and the Bonds, and summaries of certain provisions of the Indenture, the Power Supply Contract, the Prepaid Energy Sales Agreement, the Commodity Swaps, the Receivables Purchase Provisions, the Re-Pricing Agreement, the Debt Service Account Investment Agreement, the Interest Rate Swap and the Custodial Agreements referred to herein. Such descriptions and summaries do not purport to be complete or definitive, and such summaries are qualified by reference to such documents. Certain of these documents are available to prospective investors during the initial offering period of the Bonds and thereafter to Bondholders, in each case upon request to CCCFA. Descriptions of the Indenture, the Bonds, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swaps, the Debt Service Account Investment Agreement, the Interest Rate Swap, the Custodial Agreements, the Receivables Purchase Provisions and the Re-Pricing Agreement, and are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of police and regulatory powers by federal and state authorities.

This Official Statement describes the terms of the Bonds only during the Initial Interest Rate Period and must not be relied upon after the Bonds are converted to another Interest Rate Period.

THE CLEAN ENERGY PROJECT

CCCFA is issuing the Bonds to finance the Clean Energy Project, which includes the cost of acquisition of a 30-year supply of EPS Compliant Energy (the "*Prepaid Energy*") under a Prepaid Energy Sales Agreement between CCCFA and Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company (the *"Energy Supplier"* or *"MSES"*) and the sale thereof to the Project Participant as hereinafter described. The term "*EPS Compliant Energy*" means three-phase, 60-cycle alternating current electric energy ("*Energy*") that the Project Participant can contract for and purchase in compliance with California's Emissions Performance Standards (*"EPS"*), as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law, that are applicable to the Project Participant.

Pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier is obligated to deliver specified quantities of Prepaid Energy to CCCFA each Contract Year (the *"Prepaid Quantities"*), make certain payments for any Prepaid Quantities not delivered, remarket Prepaid Quantities not taken by the Project Participant and make a Termination Payment upon any early termination of the Prepaid Energy Sales Agreement in whole or in part. Any such Termination Payment will be applied to the mandatory redemption of the Bonds in whole or in part, as applicable. The payment obligations of the Energy Supplier under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, are unconditionally guaranteed by Morgan Stanley (*"Morgan Stanley"*). For a summary of certain terms and provisions of the Prepaid Energy Sales Agreement, see "THE PREPAID ENERGY SALES AGREEMENT".

CCCFA has entered into a Power Supply Contract (the *"Power Supply Contract"*) for the sale of the Prepaid Energy with the Project Participant. During the Delivery Period, the Project Participant will use the Prepaid Energy it purchases from CCCFA for sale to retail customers located in its established service area. For a summary of certain terms and provisions of the Power Supply Contract, see "THE POWER SUPPLY CONTRACT". See APPENDIX A for certain information with respect to the Project Participant.

Assignment of Power Purchase Agreements by the Project Participant

California's EPS regulations, codified as Senate Bill 1368 (2006) ("*SB 1368*") prevents all California utilities, both privately and publicly owned, from signing long-term contracts from a specified source with a greenhouse gas emissions greater per unit of power than the emissions of greenhouse gases for combined-cycle natural gas baseload generation or from an unspecified source. For baseload generation procured under contracts, a long-term commitment is a contract of five years or longer, and the Project Participant has adopted long-term plans for the procurement of EPS Compliant Energy.

Right to Assign Existing and Future Power Purchase Agreements. The Clean Energy Project is structured to assist the Project Participant to procure a long-term supply of EPS Compliant Energy at attractive prices. In order to do so, the Clean Energy Project includes a feature whereby the Project Participant will assign to the Energy Supplier, or to Morgan Stanley Capital Group Inc. ("*MSCG*"), a portion of the Project Participant's rights and obligations (the "*Assigned Rights and Obligations*") to receive certain quantities ("*Assigned Quantities*") of EPS Compliant Energy ("*Assigned Energy*"), together with associated Green Attributes (as defined in APPENDIX B hereto), renewable energy credits ("*RECs*"), capacity, or other related products (collectively, *"Assigned Products"*) under existing and future power purchase agreements ("*PPAs*"). With respect to any such assignment to MSCG, MSCG will redeliver such Assigned Energy and other Assigned Products to the Energy Supplier to meet the Energy Supplier's obligations to deliver Prepaid

Energy to CCCFA under the Prepaid Energy Sales Agreement. CCCFA will then deliver such Assigned Energy and other Assigned Products to the Project Participant under its Power Supply Contract. Concurrent with the execution of the Prepaid Energy Sales Agreement and the Power Supply Contract, the Project Participant has entered into a limited assignment agreement (each, an "*Assignment Agreement*") relating to a specific PPA (the *"Initially Assigned PPA"*) among the Project Participant, the Energy Supplier and MSCG, as seller under the Initially Assigned PPA, to assign the Assigned Rights and Obligations (the "*Initial Assigned Rights and Obligations*") to the Energy Supplier beginning [_____] 1, 202[_]* and ending [_____ __], 202[_]*.

In the event of any expiration, termination or anticipated termination of Assigned Rights and Obligations under the Assigned PPAs, the Project Participant is obligated to exercise Commercially Reasonable Efforts to assign Replacement Assigned Rights and Obligations to MSCG for delivery of EPS Compliant Energy to the Energy Supplier. The Project Participant has or expects to have additional power purchase agreements pursuant to which it purchases or expects to purchase EPS Compliant Energy and wherein its rights and obligations thereunder could be assigned to MSCG.

In the event of a termination of the Prepaid Energy Sales Agreement, the rights, title and interest under the Assigned PPAs will revert back to the Project Participant, who may continue to receive the EPS Compliant Energy delivered under such agreements at the price payable under the applicable Assigned PPA. In the event of a termination of an Assignment Agreement and the reversion of the related Assigned Rights and Obligations under an Assigned PPA to the Project Participant, no termination payment other than payment for delivered Assigned Products will be required to be made by CCCFA, the Energy Supplier or MSCG.

Structure of the Clean Energy Project

The Prepaid Energy Sales Agreement, the Power Supply Contract, the Debt Service Account Investment Agreement, the Commodity Swaps, the Interest Rate Swap, the Indenture, the Receivables Purchase Provisions, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, Morgan Stanley, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the payments due under the Interest Rate Swap and the CCCFA Commodity Swap. These arrangements include:

- The Energy Supplier is required to deliver Prepaid Energy under the Prepaid Energy Sales Agreement to CCCFA such that CCCFA can meet its obligations to the Project Participant under the Power Supply Contract. In the event Assigned Quantities equivalent to the Prepaid Quantities are not delivered under the Assigned PPAs, and the Energy Supplier is unable to deliver make-up quantities of EPS Compliant Energy, the Energy Supplier is required to deliver equivalent quantities of Base Energy for remarketing. In the event the Energy Supplier fails to deliver Base Energy for any reason, including *force majeure* events, it is required to pay certain specified amounts to CCCFA.

- The Project Participant has agreed to pay the Contract Price each month for the Assigned Quantities actually delivered in such month pursuant to the Power Supply Contract. In the

* Preliminary; subject to change.

event the Project Participant fails to pay when due any amounts owed under its Power Supply Contract, CCCFA has covenanted in the Indenture to exercise its right under the Power Supply Contract to suspend further deliveries of Prepaid Energy to the Project Participant and to give notice to the Energy Supplier to follow the provisions of the Prepaid Energy Sales Agreement with respect to Prepaid Energy for which delivery to the Project Participant has been suspended.

- In the event the Project Participant fails to pay when due any amounts owed under the Power Supply Contract, the Trustee is obligated to sell and MSES is obligated to purchase Put Receivables.

- In the event of a suspension of Prepaid Energy deliveries to the Project Participant, the Energy Supplier will remarket Base Energy pursuant to the Prepaid Energy Sales Agreement. The Prepaid Energy Sales Agreement requires specified payments for all Base Energy remarketed or purchased, less certain applicable fees.

- If the Commodity Swap Counterparty does not make a required payment under the CCCFA Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian under the terms of the Energy Supplier Custodial Agreement will pay the amount that the Energy Supplier paid under the corresponding Energy Supplier Commodity Swap (or in the event of termination of such Energy Supplier Commodity Swap, the amount that the Energy Supplier paid into the applicable custodial account as if such Energy Supplier Commodity Swap were still in effect), which amount is held in custody, to the Trustee for deposit in the Revenue Fund pursuant to the Indenture, and such payment will be treated as a Commodity Swap Receipt.

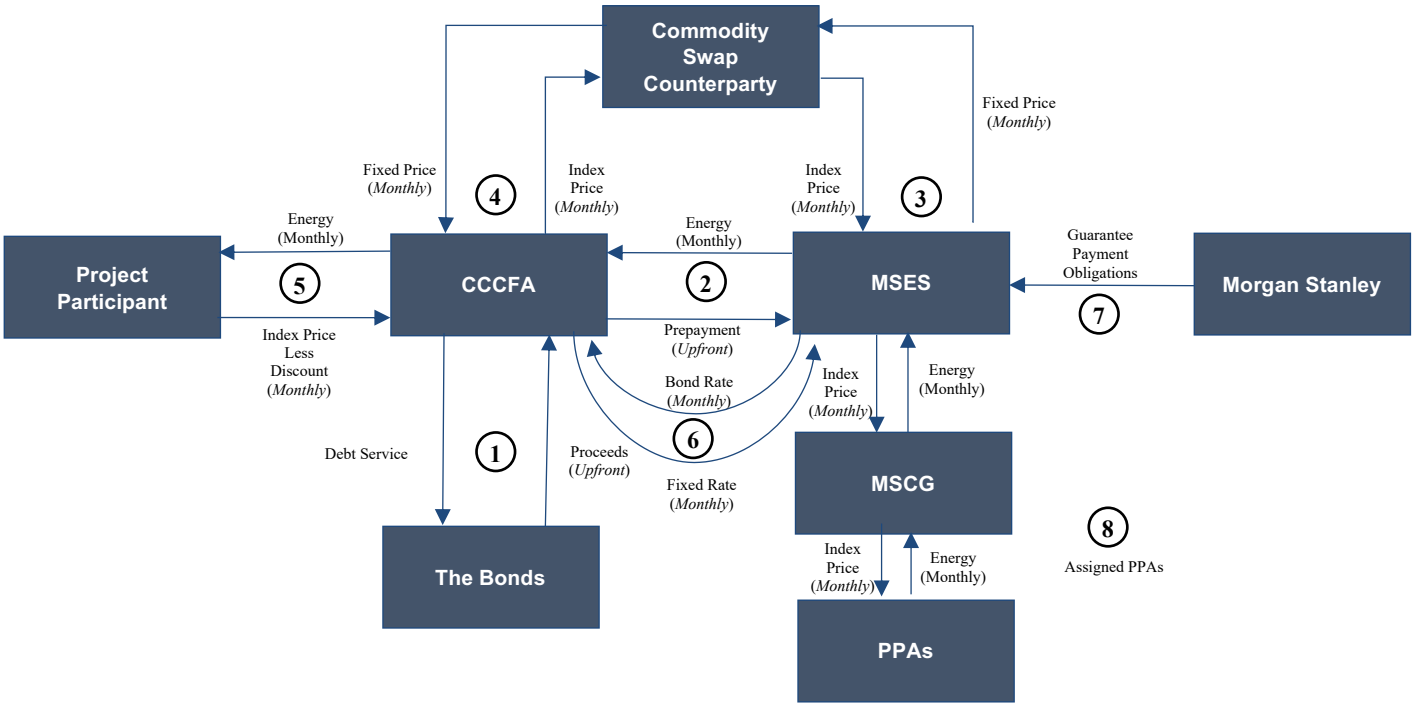
- If a Termination Event occurs under the Prepaid Energy Sales Agreement, the Energy Supplier is required to pay the scheduled Termination Payment to CCCFA, as further described below.

- [_____], as provider of the Debt Service Account Investment Agreement (the *"Investment Agreement Provider"*) is required to make timely payment of scheduled amounts due under the Debt Service Account Investment Agreement which, together with other Revenues, provide sufficient monies to CCCFA to pay debt service.

In the event the Energy Supplier fails to perform its material obligations under the Prepaid Energy Sales Agreement, the Prepaid Energy Sales Agreement will terminate automatically in certain circumstances or CCCFA at its option may terminate the Prepaid Energy Sales Agreement in other circumstances. Upon any termination of the Prepaid Energy Sales Agreement, the Energy Supplier is required to pay the scheduled Termination Payment. The payment of the Termination Payment is guaranteed by Morgan Stanley under the Morgan Stanley Guarantee. In the event the Prepaid Energy Sales Agreement is terminated, the Series 2023[_]-1 Bonds are to be redeemed at their Amortized Value and the Series 2023[_]-2 Bonds and Series 2023[_]-3 Bonds are to be redeemed at 100% of their principal amount (in each case plus accrued interest to the redemption date), regardless of reinvestment rates at the time. See "THE BONDS—*Redemption—Extraordinary Mandatory Redemption."*

(Remainder of page intentionally left blank)

CLEAN ENERGY PROJECT TRANSACTION STRUCTURE



Transaction Overview

1. **Bond Issuance:** CCCFA issues the Bonds to fund the prepayment for Energy, pay capitalized interest, and pay costs of issuance. The Bonds will bear interest at fixed interest rates (or at floating rates swapped to a fixed rate under the Interest Rate Swap) during the Initial Interest Rate Period.

2. **Prepayment:** CCCFA will apply bond proceeds to prepay MSES for 30 years of Energy deliveries. Under the Prepaid Energy Sales Agreement, MSES will be obligated to (a) deliver specified quantities of Energy each month to CCCFA for 30 years; (b) make payments for (i) projected monthly quantities of Assigned Energy that are not delivered and (ii) hourly quantities of Base Energy that are remarketed based on the applicable index price; and (c) make a termination payment upon any early termination of the Prepaid Energy Sales Agreement, including upon a Failed Remarketing, as described herein.

3. **MSES Commodity Swap:** MSES enters into a Commodity Swap with the Commodity Swap Counterparty to facilitate MSES's ability to purchase at index prices the specified Energy quantities required to be delivered each month throughout the term of the Prepaid Energy Sales Agreement.

4. **CCCFA Commodity Swap:** CCCFA enters into a Commodity Swap with the Commodity Swap Counterparty to facilitate its ability to sell specified Energy quantities required to be delivered to the Project Participant at index prices, creating the economic effect of fixing the discount below the index (market) price at which Energy is sold to the Project Participant. CCCFA Commodity Swap enables CCCFA to sell prepaid quantities to the Project Participant at index prices while ensuring that the net revenues from Project Participant payments and CCCFA Commodity Swap always equal or exceed debt service regardless of the index price of Energy at the time. Quantities, term, and delivery points for CCCFA Commodity Swap mirror those of the MSES Commodity Swap.

5. **Project Participant:** Under the Energy Supply Contract, CCCFA will sell to the Project Participant all of the Energy delivered by MSES on a pay-as-you-go basis at an index price less specified discounts determined to ensure that the month's net Energy sale revenues (net of swap payments and receipts) will enable CCCFA to make scheduled deposits to the Debt Service Account.

6. **Interest Rate Swap:** CCCFA will enter into the Interest Rate Swap with MSES under which it will pay a fixed rate and receive a floating rate with respect to the interest rate on the Index Rate Bonds, as described herein.

7. **MS Guarantees:** The payment obligations of MSES under the Prepaid Energy Sales Agreement and the MSES Commodity Swap will be guaranteed by Morgan Stanley.

8. **Assigned PPAs:** The Project Participant is expected to assign its rights to receive EPS Compliant Energy under existing and future PPAs to MSES (or, if MSCG is not the seller under the applicable PPA, to MSCG for delivery of the Assigned Product to MSES) in order for MSES to meet its obligation to deliver EPS Compliant Energy to CCCFA under the Prepaid Energy Sales Agreement.

The cumulative effect of the Prepaid Energy Sales Agreement, the CCCFA Commodity Swap, the Power Supply Contract and related documents enables CCCFA to receive dependable Energy supplies at a discount below market prices for sale to the Project Participant. The resulting monthly net revenues, regardless of changes in Energy prices, are expected to be adequate to pay Debt Service requirements on the Bonds and program expenses when due.

DESIGNATION OF BONDS AS GREEN BONDS

Green Bonds Designation

Per the International Capital Market Association ("ICMA"), Green Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects and which are aligned with the four core components of the Green Bond Principles. The four core components are: 1. Use of Proceeds; 2. Process for Project Evaluation and Selection; 3. Management of Proceeds; and 4. Reporting.

Kestrel has determined that the Bonds are in conformance with the four core components of the ICMA Green Bond Principles, as described in Kestrel's "Second Party Opinion", which is attached hereto as Appendix F.

Independent Second Party Opinion on Green Bond Designation and Disclaimer

For over 20 years, Kestrel has been consulting in sustainable finance. Kestrel, a division of Kestrel 360, Inc. is an Approved Verifier accredited by the Climate Bonds Initiative and an Observer for the ICMA Green Bond Principles and Social Bond Principles. Kestrel reviews transactions in all asset classes worldwide for alignment with ICMA Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and the Climate Bonds Initiative Standards and criteria.

The Second Party Opinion issued by Kestrel does not and is not intended to make any representation or give any assurance with respect to any other matter relating to the bonds. Designations by Kestrel are not a recommendation to any person to purchase, hold, or sell the bonds and such labeling does not address the market price or suitability of these bonds for a particular investor and does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due.

In issuing the Second Party Opinion, Kestrel has assumed and relied upon the accuracy and completeness of the information made publicly available by CCCFA, the Project Participant, or that was otherwise made available to Kestrel.

INVESTMENT CONSIDERATIONS

The purchase of the Bonds involves certain investment considerations discussed throughout this Official Statement. Prospective purchasers of the Bonds should make a decision to purchase the Bonds only after reviewing the entire Official Statement and making an independent evaluation of the information contained herein. Certain of those investment considerations are summarized below. This summary does not purport to be complete, and the order in which the following investment considerations are presented is not intended to reflect their relative significance.

Special and Limited Obligations

The Bonds are special, limited obligations of CCCFA and are payable solely from and secured solely by the Trust Estate pledged pursuant to the Indenture. The Trust Estate includes only the proceeds, revenues, funds and rights related to the Clean Energy Project, as described under "SECURITY FOR THE BONDS — The Indenture" below and does not include any other revenues or assets of CCCFA. The Bonds are not general obligations of CCCFA, and CCCFA has no taxing power.

Only CCCFA is obligated to pay the Bonds. The Project Participant is not obligated to make payments in respect of the debt service on the Bonds. The Project Participant is obligated only to purchase and pay for Prepaid Energy tendered for delivery by CCCFA at the Contract Price set forth in the Energy Supply Contract. None of the Energy Supplier, MSCG nor Morgan Stanley is obligated to make debt service payments on the Bonds, and none of them has guaranteed payment of the Bonds.

The amounts required to be on deposit in certain Funds and Accounts held by the Trustee under the Indenture are calculated to be sufficient to pay the Purchase Price or the Redemption Price of all Bonds on the Mandatory Purchase Date, assuming that MSES, or in the event of nonpayment by MSES, payment by Morgan Stanley pursuant to the Morgan Stanley Guarantees, and the Investment Agreement Provider pay and perform their respective contract obligations when due. Any failure to pay the purchase price or the Redemption Price of all of the Bonds on the Mandatory Purchase Date will result in an Event of Default under the Indenture.

Structure of the Clean Energy Project

The Prepaid Energy Sales Agreement, the Power Supply Contract, the Debt Service Account Investment Agreement, the Commodity Swaps, the Interest Rate Swap, the Indenture, the Receivables Purchase Provisions, the Bonds and related agreements have been structured so that, assuming timely performance and payment by the Energy Supplier, Morgan Stanley, the Investment Agreement Provider and the Project Participant of their respective contractual obligations, the Revenues available to CCCFA from the Clean Energy Project are calculated to be sufficient at all times to provide for the timely payment of Operating Expenses and the scheduled Debt Service requirements on the Bonds and the payments due under the Interest Rate Swap and the CCCFA Commodity Swap. See "THE CLEAN ENERGY PROJECT – *Structure of the Clean Energy Project*".

In the event the Energy Supplier fails to perform its material obligations under the Prepaid Energy Sales Agreement, the Prepaid Energy Sales Agreement will terminate automatically in certain circumstances or CCCFA at its option may terminate the Prepaid Energy Sales Agreement in other circumstances. Upon any termination of the Prepaid Energy Sales Agreement, the Energy Supplier is required to pay the scheduled Termination Payment. The payment of the Termination Payment is guaranteed by Morgan Stanley under the Morgan Stanley Guarantee. In the event the Prepaid Energy Sales Agreement is terminated, the Series 2023[_]-1 Bonds are to be redeemed at their Amortized Value and the Series 2023[_]-2 Bonds and the Series 2023[_]-3 Bonds are to be redeemed at 100% of their principal amount (in each case plus accrued interest to the redemption date), regardless of reinvestment rates at the time. See "THE BONDS—*Redemption—Extraordinary Mandatory Redemption."*

Performance by Others

During the Initial Interest Rate Period, the ability of CCCFA to pay timely the scheduled debt service on the Bonds depends on the timely performance and payment by (a) MSES under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, the MSES Commodity Swap and the Interest Rate Swap, (b) Morgan Stanley under the Morgan Stanley Guarantees, and (c) the Investment Agreement Provider under the Debt Service Account Investment Agreement. The failure by any one or more of such parties to meet such obligations could materially and adversely affect the ability of CCCFA to pay timely the scheduled debt service on the Bonds, and to meet its other obligations under the Indenture, the Prepaid Energy Sales Agreement, the Interest Rate Swap, the Power Supply Contract and, if applicable, the CCCFA Commodity Swap.

The events and conditions that could result in either or both of (a) a default in the payment of Debt Service on the Bonds or (b) a Termination Event under the Prepaid Energy Sales Agreement, which will cause the extraordinary mandatory redemption of the Bonds, include items that may be within or outside the control of CCCFA or the Energy Supplier (or both), such as:

- failure by the Energy Supplier in the timely performance of its obligations under the Prepaid Energy Sales Agreement to make payments of replacement cost damages for Prepaid Energy not delivered and for any remarketed Base Energy;

- in the event of nonpayment by the Energy Supplier of its obligations under the Prepaid Energy Sales Agreement, the Receivables Purchase Provisions, the MSES Commodity Swap or the Interest Rate Swap, failure by Morgan Stanley in the timely payment of the guaranteed amounts under the Morgan Stanley Guarantees;

- the prospects and financial and operational performance of the Energy Supplier, MSCG and Morgan Stanley and their continuing ability to meet their respective obligations under the Prepaid Energy Sales Agreement, the MSES Commodity Swap, the Interest Rate Swap and the Morgan Stanley Guarantees, respectively, for their full terms;

- failure by MSES to purchase Put Receivables required to be sold by the Trustee and purchased by MSES pursuant to the Receivables Purchase Provisions in the event that the Project Participant fails to pay for Prepaid Energy tendered for delivery by CCCFA or fails to pay damages for Prepaid Energy tendered by CCCFA and not taken;

- failure by the Energy Supplier in the performance of its remarketing obligations with respect to any Base Energy under the Prepaid Energy Sales Agreement, including particularly its continuing ability to remarket Base Energy to Municipal Utilities;

- failure by the Commodity Swap Counterparty in the timely performance of its obligations under the CCCFA Commodity Swap and the MSES Commodity Swap combined with a failure in the timely performance and enforcement of the Energy Supplier Custodial Agreement;

- failure by the Energy Supplier and CCCFA in the timely performance of their respective obligations under the MSES Commodity Swap and the CCCFA Commodity Swap;

- the inability of the Energy Supplier and CCCFA to replace timely any Commodity Swap that has been terminated;

- failure by MSES or CCCFA in the timely performance of their respective obligations under the Interest Rate Swap; and

- failure by the Investment Agreement Provider to make timely payment of the required amounts due or payable under the Debt Service Account Investment Agreement.

Upon early termination of the Prepaid Energy Sales Agreement, the Energy Supplier will be obligated to pay the scheduled Termination Payment. The scheduled amount of the Termination Payment, together with the amounts required to be on deposit in certain Funds and Accounts held by the Trustee, has

been calculated to provide CCCFA with an amount at least sufficient to redeem all of the Bonds, assuming that the Energy Supplier and the Investment Agreement Provider pay and perform their contract obligations when due.

In the case of a Failed Remarketing and a mandatory redemption of the Bonds on the Mandatory Purchase Date, the amounts required to be on deposit in certain Funds and Accounts held by the Trustee under the Indenture are calculated to be sufficient to pay the Redemption Price of all Bonds on the Mandatory Purchase Date, assuming that the Energy Supplier and the Investment Agreement Provider pay and perform their respective contract obligations when due, or in the event of nonpayment by the Energy Supplier, payment by Morgan Stanley pursuant to the Morgan Stanley Guarantee. Any failure to pay the purchase price or the Redemption Price of all of the Bonds on the Mandatory Purchase Date will result in an Event of Default under the Indenture.

Energy Remarketing

The Energy Supplier must remarket any Base Energy required to be delivered under the Prepaid Energy Sales Agreement. In the event the Energy Supplier is unable to remarket such Base Energy, it has agreed to purchase such Base Energy for its own account. The Energy Supplier is required to (a) enter all remarketing sales or purchases of Base Energy on a ledger system that tracks compliance with the requirements of the U.S. Treasury Regulations applicable to tax-exempt bonds that finance Prepaid Energy supplies, and (b) remediate any non-complying sales (i.e., non-qualifying use sales and private business use sales) through "qualifying use" sales within two years. See "INTRODUCTION – *Energy Remarketing*", "THE PREPAID ENERGY SALES AGREEMENT – *Energy Remarketing*", and "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*".

Base Energy is not expected to be delivered during the Initial Reset Period.

Limitations on Exercise of Remedies

The remedies available to CCCFA under the Prepaid Energy Sales Agreement are limited to those described herein. The remedies available to the Trustee, CCCFA and the Holders of the Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory provisions and judicial decisions, the remedies provided in the Indenture may not be readily available or may be limited.

Enforceability of Contracts

The enforceability of the various legal agreements relating to the Clean Energy Project may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the rights of creditors or secured parties generally, by the exercise of judicial discretion in accordance with general principles of equity and by principles of equity, public policy and commercial reasonableness. The Prepaid Energy Sales Agreement and other agreements relating to the Clean Energy Project are executory contracts. If CCCFA, the Energy Supplier, Morgan Stanley, the Commodity Swap Counterparty, the Project Participant or any of the parties with which CCCFA has contracted under such agreements (including the Prepaid Energy Sales Agreement) is involved in a bankruptcy proceeding, the relevant agreement could be discharged in return for a claim for damages against the party's estate with uncertain value. In the event that CCCFA is involved in an insolvency proceeding, the exercise of the remedies afforded to the Trustee

under the Indenture may be stayed, and the availability of the Revenues necessary for the payment of the Bonds could be materially and adversely affected.

No Established Trading Market

The Bonds constitute a new issue with no established trading market. The Bonds have not been registered under the Securities Act of 1933 in reliance upon exemptions contained therein. Although the Underwriter has informed CCCFA that it currently intends to make a market in the Bonds, they are not obligated to do so and may discontinue any such market making at any time without notice. There can be no assurance as to the development or liquidity of any market for the Bonds. If an active public market does not develop, the market price and liquidity of the Bonds may be adversely affected.

Loss of Tax Exemption on the Bonds

As described below, the opinion of Bond Counsel with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (the *"IRS"*) or the courts and is not a guarantee of a result.

The Indenture, CCCFA's Tax Agreement with respect to the Bonds, the Prepaid Energy Sales Agreement and the Power Supply Contract contain various covenants and agreements on the part of CCCFA, the Energy Supplier and the Project Participant that are intended to establish and maintain the tax-exempt status of the Bonds. CCCFA, the Energy Supplier and the Project Participant have each agreed to abide by the various covenants and agreements designed to protect the tax-exempt status of the Bonds. A failure by CCCFA, the Energy Supplier and the Project Participant to comply with such covenants and agreements could, directly or indirectly, adversely affect the tax-exempt status of the Bonds.

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS may treat CCCFA as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Any loss of the tax-exempt status of the Bonds could be retroactive to the date of issuance of the Bonds and could cause all of the interest on the Bonds to be includable in gross income for purposes of federal income taxation. *The loss of the tax-exempt status of the Bonds is not a termination event under the Prepaid Energy Sales Agreement and will not result in a mandatory redemption of the Bonds.* See "THE PREPAID ENERGY SALES AGREEMENT" and "TAX MATTERS".

Certain Risks of SOFR Index Rate Bonds

The Series 2023[_]-3 Bonds will bear interest at the SOFR Index Rate described herein, which is based on the Secured Overnight Financing Rate reported on the website of the Federal Reserve Bank of New York (the *"SOFR Index"*). See "THE SERIES 2023[_]-3 BONDS—Interest—Series 2023[_]-*3 Bonds"* below for descriptions of the SOFR Index Rate and related matters.

An investment in the Series 2023[_]-3 Bonds entails risks not associated with an investment in a fixed rate security or a debt security the interest rate on which is not based on the SOFR Index. Investors should consult their own financial and legal advisors about the risks associated with an investment in the Series 2023[_]-3 Bonds and the suitability of an investment in the Series 2023[_]-3 Bonds considering their particular circumstances, and possible scenarios for economic, interest rate and other factors that may affect their investment.

Because the SOFR Index is independently published by the Federal Reserve Bank of New York (the "*NY Federal Reserve*") based on data received from other sources, CCCFA and the Calculation Agent have no control over its determination, calculation, or publication. There can be no guarantee that the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Series 2023[_]-3 Bonds. A change in the manner in which the SOFR Index is calculated may result in a reduction of the amount of interest payable on the Series 2023[_]-3 Bonds and/or the trading prices of the Series 2023[_]-3 Bonds. If the rate at which interest on the Series 2023[_]-3 Bonds accrues on any day (*i.e.*, the SOFR Index Rate) declines to zero or becomes negative, no interest will be payable on the Series 2023[_]-3 Bonds in respect of that day.

The NY Federal Reserve began to publish the SOFR Index in April 2018 and has also published historical indicative data for the SOFR Index going back to August 2014. Investors should not rely on any historical changes or trends in the SOFR Index as an indicator of future changes in the SOFR Index. Also, since the SOFR Index is a relatively new market index, the Series 2023[_]-3 Bonds may have a limited trading market when issued, and an established trading market may never develop or may be illiquid. Market terms of debt securities indexed to the SOFR Index, such as the spread over the index reflected in the interest rate provisions, may evolve over time, and trading prices of the Series 2023[_]-3 Bonds may be lower than those of later-issued indexed debt securities as a result. Similarly, if the SOFR Index does not prove to be widely used in securities similar to the Series 2023[_]-3 Bonds, the trading prices of the Series 2023[_]-3 Bonds may be lower than those of bonds linked to indices that are more widely used. Investors in the Series 2023[_]-3 Bonds may not be able to sell the Series 2023[_]-3 Bonds at all or may not be able to sell the Series 2023[_]-3 Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

SECURITY FOR THE BONDS

The Indenture

The Bonds are secured under the Indenture solely by a pledge of the "*Trust Estate*," which is defined in the Indenture to mean (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of CCCFA in, to and under the Power Supply Contract, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment (e) all right, title and interest of CCCFA in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier pursuant thereto, (f) all right, title and interest of CCCFA in, to and under the Morgan Stanley Guarantee, (g) all right, title and interest of CCCFA in, to and under each Interest Rate Swap and the Interest Rate Swap Receipts, (h) all right, title and interest of CCCFA in, to and under any Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty and (i) the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including

the investment income, if any, thereof subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

The pledge of the Trust Estate in favor of the Trustee is subject to (x) the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, and (y) conveyance, assignment and pledge of the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparty.

The term "*Revenues*" is defined in the Indenture to mean (a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by CCCFA from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by CCCFA under the Power Supply Contract and the Prepaid Energy Sales Agreement or otherwise payable to the Trustee for the account of CCCFA for the sale and/or transmission of Energy or otherwise with respect to the Clean Energy Project, (b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund; (c) any Commodity Swap Receipts received by the Trustee on behalf of CCCFA; and (d) any Subsidy Payments received by the Trustee, on behalf of CCCFA, in accordance with the Indenture; *provided that*, the term "Revenues" does not include: (i) any Termination Payment pursuant to the Prepaid Energy Sales Agreement; (ii) any amounts received from the Energy Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to the Indenture; (iii) any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement; (iv) any Assignment Payment received from the Energy Supplier; (v) Interest Rate Swap Receipts (which are to be deposited directly into the Debt Service Account; and (vi) amounts paid by the Project Participant in respect of the Project Administration Fee. The Revenues are to be applied in accordance with the priorities established under the Indenture, including the prior payment from the Revenues of the Operating Expenses of the Project. See "Flow of Funds" below

The term *"Operating Expenses"* is defined in the Indenture to mean, to the extent properly allocable to the Clean Energy Project: (a) CCCFA's expenses for operation of the Clean Energy Project, including all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain any Commodity Swap; and payments required under the Prepaid Energy Sales Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (b) any other current expenses or obligations required to be paid by CCCFA under the provisions of the Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contract; (c) fees payable by CCCFA with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of CCCFA which are incurred by CCCFA with respect to the Bonds, the Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by CCCFA with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by CCCFA, including, without limitation, directors and officers liability insurance allocable to the Clean Energy Project; provided that, for purposes of the transfers from the

Revenue Fund described in this section under the heading "*Flow of Funds —First*", Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund. Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

THE BONDS ARE A LIMITED OBLIGATION OF CCCFA AND THE PRINCIPAL AND REDEMPTION PRICE OF, AND INTEREST ON, THE BONDS ARE PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE CCCFA, BUT SHALL BE PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE. CCCFA SHALL NOT BE OBLIGATED TO PAY THE PRINCIPAL OR THE REDEMPTION PRICE OF OR INTEREST ON THE BONDS EXCEPT FROM THE FUNDS PROVIDED THEREFOR UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. CCCFA HAS NO TAXING POWER.

See APPENDIX B for definitions of certain terms and see APPENDIX C for a further description of certain provisions of the Indenture.

Flow of Funds

All Revenues are required by the Indenture to be deposited promptly by the Trustee upon receipt thereof into the Revenue Fund; provided that, for the avoidance of doubt, if any amounts are received from a Project Participant for which Outstanding Sold Receivables exist, as identified in a written notice from CCCFA to the Trustee, the Trustee will promptly cause any such receipts to be paid to the Energy Supplier to the extent of such Outstanding Sold Receivables without setoff of any kind in accordance with the Receivables Purchase Provisions of the Prepaid Energy Sales Agreement and any remaining amounts received from such Project Participant will be deposited into the Revenue Fund. In each Month during which there is a deposit of Revenues into the Revenue Fund (but in no case later than the respective dates set forth below), the Trustee is required to apply the amounts on deposit in the Revenue Fund, to the extent available, for credit or deposit to the Funds and Accounts indicated below, in the amounts described below (such application to be made in such a manner so as to assure good funds are available on the respective dates set forth below) in the following order of priority:

first, to the Operating Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount, if any, required so that the balance therein shall equal the amount necessary for the payment of Operating Expenses coming due for such Month;

second, subject to the provisos below, to the Debt Service Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day) for the credit to the Debt Service Account, an amount equal to the greater of (A) the Scheduled Debt Service Deposit, as set forth in the Indenture, or (B) the amount necessary to cause an amount equal to the cumulative unpaid Scheduled Debt Service Deposits due through such date to be on deposit therein (without credit for undisbursed Interest Rate Swap Receipts on deposit therein);

third, to the Commodity Swap Payment Fund, on or before the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount required so that the balance therein shall equal the Commodity Swap Payments due for such Month; and

fourth, to the Energy Supplier, not later than the last Business Day of such Month, the amount, if any, required for the repurchase of Put Receivables and the payment of interest on all Put Receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions;

provided, however, that if the Project Participant's payment failure results in a Net Participant Shortfall Amount for such Month, the intent is that such payment failure be allocated between the amounts that otherwise would have been deposited to the Debt Service Fund and the Commodity Swap Payment Fund. Therefore, for any Month in which a Net Participant Shortfall Amount exists, the Trustee shall reduce the amount transferred under *second* above to the extent necessary such that the amount available for transfer under *third* above is not less than (a) the amount that would be required to fully fund the Commodity Swap Payments due for such Month, minus (b) the sum of all Net Participant Shortfall Amounts for such Month; and *provided further,* the amount required to be transferred to the Debt Service Account under *second* above shall be reduced by the amount of investment earnings scheduled to be deposited into the Debt Service Account on or before the last Business Day of such Month.

If, after a scheduled monthly deposit to the Debt Service Account, the balance therein is below the cumulative Scheduled Debt Service Deposits for such month as specified in the Indenture, the Trustee shall immediately notify CCCFA of such deficiency and the Trustee shall (a) if CCCFA has not previously done so, cause CCCFA to suspend all deliveries of all quantities of Energy under the Power Supply Contract to the Project Participant that is in default thereunder, and (b) promptly give notice to the Energy Supplier to follow the electricity remarketing provisions set forth in the Prepaid Energy Sales Agreement.

In each Month during which (a) there is a deposit of Revenues into the Revenue Fund and (b) payment of a Principal Installment is due, after making such transfers, credits and deposits as described in the first paragraph of this section "Flow of Funds," and after the applicable Principal Installment payment date, the Trustee shall credit to the General Reserve Fund the remaining balance in the Revenue Fund.

So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds and Interest Rate Swap Payments in accordance with their terms (including principal or applicable Sinking Fund Installments and interest thereon), no transfers will be required to be made to the Debt Service Fund. See "*Revenues and Revenue Fund*" and "*Payments into Certain Funds*" in APPENDIX C.

As noted above, certain amounts are pledged as a part of the Trust Estate but do not constitute Revenues and are not deposited into the Revenue Fund, including (a) any Termination Payment or the right to receive such Termination Payment under the Prepaid Energy Sales Agreement, which is to be deposited directly into the Redemption Account, and (b) all right, title and interest of CCCFA in any Interest Rate Swap Receipts, which are to be deposited into the Debt Service Account, all as provided in the Indenture.

Debt Service Fund - Debt Service Account

The amounts deposited into the Debt Service Account, including the Capitalized Interest Subaccount therein, must be held in such Account and applied to the payment of Debt Service and Interest Rate Swap Payments payable on each Bond Payment Date.

Amounts on deposit in the Debt Service Account, including the Capitalized Interest Subaccount therein, will be initially invested pursuant to the Debt Service Account Investment Agreement, which will provide for scheduled withdrawals to pay debt service on the Bonds when due and, in the case of extraordinary redemption, to pay the Redemption Price without penalty or market value adjustments See "Investment of Funds – Debt Service Account Investment Agreement" herein. The Capitalized Interest Subaccount of the Debt Service Account will be funded with a deposit of Bond proceeds on the Initial Issue Date of the Bonds. The amount so deposited will be used to pay a portion of the interest coming due on the Bonds and the Interest Rate Swap through [_____] 1, 20[__]*.

Administrative Fee Fund

All Project Administration Fees, together with any amounts paid by the Project Participant pursuant to the Prepaid Clean Energy Project Administration Agreement, shall be deposited by the Trustee into the Administrative Fee Fund. The Trustee is required to apply amounts on deposit in the Administrative Fee Fund to pay Operating Expenses promptly upon receipt of a Written Request of CCCFA directing such payment. In the event amounts on deposit in the Administrative Fee Fund are insufficient to make any payments directed in the Written Request of CCCFA, the Trustee shall promptly notify the Project Participant, at its address shown in the Indenture, of the fact and amount of such deficiency.

Commodity Swap Payment Fund

The amounts credited to the Commodity Swap Payment Fund shall be applied from time to time by the Trustee solely to the payment of Commodity Swap Payments when due.

Any amount remaining in the Commodity Swap Payment Fund following the payment of the Commodity Swap Payment due in any Month and prior to any deposit therein for the following Month shall be transferred to the Revenue Fund for application as described above.

Debt Service Fund - Redemption Account

In the event of an early termination of the Prepaid Energy Sales Agreement, CCCFA will direct the Energy Supplier to pay the Termination Payment directly to the Trustee for the account of CCCFA. The Trustee will deposit the Termination Payment into the Redemption Account. Amounts deposited into the Redemption Account shall be applied by the Trustee to the extraordinary mandatory redemption of Outstanding Bonds as described below under "THE BONDS — Redemption — *Extraordinary Mandatory Redemption*."

Restriction on Additional Obligations

Except as expressly permitted under the terms of the Indenture, for so long as any Bonds are Outstanding, CCCFA will not, without a Rating Confirmation, issue any debt payable from or secured by a pledge and assignment of the Trust Estate, or create or cause to be created any lien or charge on the Trust Estate, other than debt issued to refund Outstanding Bonds, or otherwise incur obligations other than those contemplated by the Indenture, the Energy Purchase Agreement, the Power Supply Contract, the Issuer Custodial Agreements, the Commodity Swap, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments). However, such limitation will not prevent CCCFA from entering into any Commodity Swap or Interest

* Preliminary; subject to change.

Rate Swaps upon the terms set forth in the Indenture, or incurring any debt payable out of moneys in the Project fund as part of the Cost of Acquisition or secured by the Trust Estate following the defeasance of the Bonds.

Other than the Bonds and any refunding bonds, no additional bonds or other obligations are authorized to be issued under the Indenture or for which payment is otherwise secured by a pledge or assignment of, or lien on, the Trust Estate. See "Creation of Liens" in APPENDIX C.

Amendment of Indenture

CCCFA and the Trustee may, subject to the conditions and restrictions in the Indenture, enter into a Supplemental Indenture or Indentures, in form satisfactory to the Trustee, which will thereafter form a part of the Indenture, without the consent of the Bondholders for certain purposes, and upon receipt of a Rating Confirmation if the Bonds affected by such change are rated by a Rating Agency. See "*Supplemental Indenture Not Requiring Consent of Bondholders*," "*General Provisions*" and "*Powers of Amendment*" in Appendix C hereto.

Investment of Funds

General. Subject to the provisions of the Indenture, amounts on deposit in the Funds and Accounts may be invested in, among other things, guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period; provided, however, that guaranteed investment contracts, forward delivery agreements or similar agreements must be with providers that are rated (or whose financial obligations to the Issuer receive credit support from an entity rated) at least at the same credit rating level as the Energy Supplier (or if the Energy Supplier is not rated, the credit rating level of its guarantor). See Appendix B—Definitions of Certain Terms and "*Investment of Certain Funds*" in Appendix C.

Debt Service Account Investment Agreement. On the Initial Issue Date of the Bonds, it is expected that CCCFA or the Trustee will enter into an investment agreement (which may be in the form of an ISDA Master Agreement) with respect to the Debt Service Account, including the Capitalized Interest Subaccount therein (the *"Debt Service Account Investment Agreement"*). The Debt Service Account Investment Agreement constitutes a "Debt Service Fund Agreement" as defined in the Indenture. The Debt Service Account Investment Agreement will have a term coterminous with the Initial Interest Rate Period and is required to meet all of the criteria of a Qualified Investment under the Indenture and is expected to be bid out on the day of Bond pricing to qualified investment providers. See "SECURITY FOR THE BONDS—*Investment of Funds*".

Required qualifications for the initial Investment Agreement Provider include: (a) a minimum credit rating requirement for the Investment Agreement Provider (or its guarantor) of at least that of Morgan Stanley, which as of the date of this Official Statement is "A1" by Moody's, and (b) a requirement that upon a credit rating withdrawal, suspension or downgrade of the Investment Agreement Provider (or its guarantor) below the lower of (i) "A1" by Moody's or (ii) the then-current credit rating of Morgan Stanley, the Investment Agreement Provider will provide a credit remedy, such as providing credit support or posting eligible collateral, or CCCFA will have the right to terminate the agreement.

Required qualifications for a Debt Service Account Investment Agreement that is a forward delivery agreement include: (a) the minimum credit rating requirement described in the clause (a) of the preceding paragraph, (b) the credit downgrade provisions described in clause (b) of the preceding

paragraph, (c) opinions of counsel, domestic and foreign, where applicable, that the securities delivered in connection with the agreement do not constitute property of the forward delivery agreement provider under bankruptcy, and will not be subject to automatic stay, and (d) a limitation that the only securities the forward delivery agreement provider is allowed to deliver are non-callable, non-prepayable (i) direct obligations of the United States government or any of its agencies that are unconditionally guaranteed as to principal and interest by the United States of America, or (ii) senior debt obligations of any agency of the United States government.

The Debt Service Account Investment Agreement will provide for a fixed interest rate to be paid on the funds invested and will provide for scheduled withdrawals in connection with certain Bond Payment Dates.

Upon transaction termination, whether by extraordinary mandatory redemption or final maturity, the funds invested under the Debt Service Account Investment Agreement will be used to pay the redemption price or debt service due on the Bonds. If the Debt Service Account Investment Agreement terminates, all invested funds are required to be returned to the Trustee.

Enforcement of Project Agreements

Power Supply Contract. CCCFA has covenanted in the Indenture that it will enforce the provisions of the Power Supply Contract, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder.

CCCFA has also covenanted to exercise promptly its right to suspend all Energy deliveries under a Power Supply Contract if the Project Participant thereunder fails to pay when due any amounts owed to CCCFA thereunder and to promptly give notice to the Energy Supplier to follow provisions set forth in Exhibit C to the Prepaid Energy Sales Agreement (Energy Remarketing) for each Month of such suspension with respect to the quantities of Energy for which deliveries have been suspended.

In the event that the Project Participant delivers a Remarketing Election Notice (as defined in each Power Supply Contract) in respect of any Reset Period, CCCFA will promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Exhibit to the Prepaid Energy Sales Agreement for each month of such Reset Period with respect to any quantities of Energy that would otherwise have been delivered to such Project Participant. See "THE RE-PRICING AGREEMENT".

CCCFA has further covenanted in the Indenture that it will not consent or agree to or permit any termination or rescission of, any assignment or novation (in whole or in part) by the Project Participant of, or amendment to or otherwise take any action under or in connection with any Power Supply Contract that will impair the ability of CCCFA to collect Revenues in each Fiscal Year which, together with the other amounts available therefor, shall provide an amount sufficient to pay the amount estimated by CCCFA to be required to be paid during such Fiscal Year into the Operating Fund; the amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which CCCFA anticipates will be transferred from other Funds or Accounts; the amounts, if any, to be paid during such Fiscal Year into any other Fund established under the Indenture; and all other charges or liens whatsoever payable out of Revenues during such Fiscal Year. Under the Indenture, upon the satisfaction of certain conditions, including delivery of a Rating Confirmation with respect to such amendment or assignment, as applicable, from each rating agency then rating the Bonds, CCCFA may agree to the amendment of a Power

Supply Contract or to the assignment of a Power Supply Contract by the Project Participant to another Municipal Utility.

Enforcement of Agreements by the Trustee. Under the Indenture, CCCFA has irrevocably pledged and collaterally assigned to the Trustee its rights to issue notices and to take any other actions that CCCFA is required or permitted to take in order to enforce performance under certain documents, including (a) the Prepaid Energy Sales Agreement, (b) the Receivables Purchase Provisions, (c) the Power Supply Contract, (d) the CCCFA Commodity Swap, (e) the Interest Rate Swap , and (f) the Morgan Stanley Guarantee. CCCFA has retained, in the absence of any conflicting action by the Trustee while an Event of Default has occurred and is continuing, the right and obligation to exercise any rights for which it has pledged and collaterally assigned to the Trustee as described in the preceding sentence; *provided, however*, if an Event of Default has occurred and is continuing, the Trustee will have the right to notify CCCFA to cease exercising such rights, subject to certain rights of the Energy Supplier with respect to the Power Supply Contract.

Prepaid Energy Sales Agreement. CCCFA has covenanted in the Indenture that it will enforce the provisions of the Prepaid Energy Sales Agreement and that it will duly perform its covenants and agreements thereunder and will enforce the provisions of the Morgan Stanley Guarantee.

The Trustee will promptly notify CCCFA of any payment default that has occurred and is continuing on the part of the Energy Supplier under the Prepaid Energy Sales Agreement. CCCFA will provide the Trustee with Written Notice of the Early Termination Payment Date (a) on the date on which a Failed Remarketing occurs, and (b) in all other cases, not more than five Business Days after such date is determined.

CCCFA has further covenanted that it will not consent or agree to or permit any rescission of, assignment of or amendment to or otherwise take any action under or in connection with the Prepaid Energy Sales Agreement or the Morgan Stanley Guarantee which would in any manner materially impair or materially adversely affect its rights thereunder or the rights or security of the Bondholders under the Indenture; *provided*, that the Prepaid Energy Sales Agreement may be assigned or amended without Bondholder consent upon receipt of a Rating Confirmation with respect to such assignment or amendment. The Prepaid Energy Sales Agreement may also be amended in connection with a remediation pursuant to the terms thereof.

CCCFA Commodity Swap. CCCFA has covenanted to cause amounts due to CCCFA under the CCCFA Commodity Swap to be collected and paid directly to the Trustee. Pursuant to the Indenture, Commodity Swap Receipts are to be deposited by the Trustee into the Revenue Fund. CCCFA has covenanted in the Indenture that:

- it will enforce the provisions of the CCCFA Commodity Swap and duly perform its covenants and agreements thereunder,

- it will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the CCCFA Commodity Swap that will impair the ability of CCCFA to comply during the current or any future year with the provisions of the Indenture, and

- it will not exercise any right to terminate the CCCFA Commodity Swap unless either (i) it has entered into a replacement CCCFA Commodity Swap that meets the requirements of the Indenture (described below), and such replacement CCCFA Commodity Swap will be effective as of such early termination date and cover price exposure from and after such early termination date, or (ii) CCCFA causes or permits the termination of the Prepaid Energy Sales Agreement prior to or as of such early termination date.

CCCFA may replace the CCCFA Commodity Swap (and any related guaranty of the Commodity Swap Counterparty's obligations thereunder) with a similar agreement for the same purposes with an alternate Commodity Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation. If the CCCFA Commodity Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) CCCFA may terminate the CCCFA Commodity Swap if CCCFA has the right to do so, and (B) CCCFA may enter into a replacement CCCFA Commodity Swap with an alternate Commodity Swap Counterparty without a Rating Confirmation, but only if the replacement CCCFA Commodity Swap is identical in all material respects to the existing CCCFA Commodity Swap, except for the identity of the Commodity Swap Counterparty, and (1) the replacement Commodity Swap Counterparty (or its credit support provider under the Commodity Swap) is then rated at least the lower of (a) the credit rating of the Energy Suppler or if the Energy Supplier is not rated, the guarantor of the Energy Supplier or (b) the rating then assigned by each Rating Agency to the Bonds or (2) the Commodity Swap Counterparty provides such collateral and security arrangements as CCCFA determines to be necessary, and (3) in either case, the Commodity Swap Counterparty enters into a replacement Custodial Agreement with the Energy Supplier and the Custodian that is identical in all material respects to the existing Custodial Agreement.

Upon the occurrence of a Commodity Swap Mandatory Termination Event, CCCFA will (A) notify the Energy Supplier of such event pursuant to the Prepaid Energy Sales Agreement, and (B) in accordance with the Prepaid Energy Sales Agreement, use its good faith efforts to replace the Commodity Swap with an alternate Commodity Swap, subject to the conditions of the first sentence of the paragraph immediately above, during the 120 day replacement period contemplated by the Prepaid Energy Sales Agreement or any period that the Custodian, under the terms of the Custodial Agreements, is making payments (an "Alternate Replacement Period"), provided that any such Alternate Replacement Period shall end on the earlier of the date on which the Custodian ceases making payments under the Custodial Agreements and the date of the sixth consecutive monthly payment by the Custodian.

If CCCFA is unable to enter into an alternate Commodity Swap pursuant to clause (B) in the paragraph immediately above during such 120-day replacement period or Alternate Replacement Period, as applicable, CCCFA will (A) designate an Early Termination Date for the Prepaid Energy Sales Agreement in accordance therewith, with such Early Termination Date occurring immediately at the end of such replacement period, and (B) unless the Commodity Swap has been terminated automatically pursuant to the terms thereof, designate an early termination date for the Commodity Swap pursuant thereto with such early termination date occurring concurrently with the Early Termination Date under the Prepaid Energy Sales Agreement described in clause (A) above.

Interest Rate Swap. CCCFA has covenanted to cause amounts due to CCCFA under the Interest Rate Swap to be collected and paid directly to the Trustee. Pursuant to the Indenture, Interest Rate Swap Receipts are to be deposited by the Trustee in the Debt Service Account. CCCFA has covenanted in the Indenture that:

- it will enforce the provisions of the Interest Rate Swap and duly perform its covenants and agreements thereunder,
- it will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Interest Rate Swap that will impair the ability of CCCFA to comply during the current or any future year with the provisions of the Indenture, and
- it will not exercise any right to terminate the Interest Rate Swap unless it either (i) has entered into a replacement Interest Rate Swap that meets requirements specified in the Indenture or (ii) in all other cases, the Prepaid Energy Sales Agreement will terminate prior to or as of such early termination date.

CCCFA may enter into a replacement Interest Rate Swap (and any related guaranty of the Interest Rate Swap Counterparty's obligations thereunder) with a similar agreement for the same purposes with an alternate Interest Rate Swap Counterparty at any time upon delivering a Rating Confirmation to the Trustee. If the Interest Rate Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) CCCFA may, subject to the requirements of the third bullet above, terminate the Interest Rate Swap if CCCFA has the right to do so, and (B) CCCFA may enter into a replacement Interest Rate Swap with an alternate Interest Rate Swap Counterparty without a Rating Confirmation, but only if the replacement Interest Rate Swap is identical in all material respects to the existing Interest Rate Swap, except for the identity of the Interest Rate Swap Counterparty, and (1) the alternate Interest Rate Swap Counterparty (or its credit support provider under the Interest Rate Swap) is then rated at least the lower of (a) the credit rating of the Energy Supplier, or if the Energy Supplier is not rated, the guarantor of the Energy Supplier or (b) at least as highly as the rating then assigned by each Rating Agency to the Bonds, or (2) the Interest Rate Swap Counterparty provides such collateral and security arrangements as CCCFA shall determine to be necessary.

SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Bonds are approximately as follows:

SOURCES:	
Par Amount	$
Original Issue Premium	
Total Sources	$
USES:	
Deposit to Project Fund[1]	$
Costs of Issuance[2]	
Total Uses	$

1 Includes the prepayment amount and capitalized interest on the Bonds (which will be transferred to the Debt Service Account).

2 Includes underwriting, rating agency, Trustee, financial advisor, legal and other fees and other expenses related to the issuance of the Bonds and the acquisition of the Clean Energy Project.

THE BONDS

General

The Bonds will mature (subject to redemption as described below) on the dates and in the principal amounts shown on the inside cover page of this Official Statement. The Bonds will be initially issued in denominations of $5,000 and any integral multiples thereof (an *"Authorized Denomination"*). The Bonds will be initially issued in book-entry only form through the facilities of The Depository Trust Company, New York, New York (*"DTC"*). See "THE BONDS — *Book-Entry System*" and APPENDIX G for a description of DTC and its book-entry system.

Interest

During the Initial Interest Rate Period, the Bonds will bear interest as described below.

Series 2023[_]-1 Bonds

During the Initial Interest Rate Period, the Series 2023[_]-1 Bonds will bear interest in a Term Rate Period, with the Series 2023[_]-1 Bonds of each maturity bearing interest at the fixed rates shown on the inside cover page of this Official Statement. During the Initial Interest Rate Period, interest on the Series 2023[_]-1 Bonds will be payable semiannually on [_____] 1 and [_____] 1 of each year, commencing [_____] 1, 2024*. During the Initial Interest Rate Period, interest on the Series 2023[_]-1 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Series 2023[_]-2 Bonds

The Initial Interest Rate Period for the Series 2023[_]-2 Bonds will be a SIFMA Index Rate Period, and the Series 2023[_]-2 Bonds will bear interest at the SIFMA Index Rate determined as described below during the SIFMA Index Rate Period.

Interest Payments. Interest on each Series 2023[_]-2 Bond is payable on the first Business Day of each month, commencing with the first Business Day of [_____] 202[_]*, and on the Mandatory Purchase Date. Such interest shall be calculated on the basis of a 365- or 366-day year, as applicable, and the actual number of days elapsed.

Determination of the SIFMA Index Rate. One Business Day prior to the Initial Issue Date of the Series 2023[_]-2 Bonds, the SIFMA Index Rate shall be calculated by the Calculation Agent and shall be in effect from and including the Initial Issue Date to (but not including) the first Index Rate Reset Date. Thereafter, (A) the SIFMA Index Rate shall be determined by the Calculation Agent by 4:00 p.m., New York City time, on each Wednesday or, if such Wednesday is not a Business Day, the Business Day immediately succeeding such Wednesday, and (B) the SIFMA Index Rate shall be determined by the Calculation Agent at or before 12:00 noon, New York City time, on each Index Rate Reset Date. All percentages resulting from any step in the calculation of interest on the Series 2023[_]-2 Bonds while in the SIFMA Index Rate Period will be rounded to six decimal places (with 0.0000005 being rounded up to 0.000001).

* Preliminary; subject to change.

SIFMA Index Rate. The SIFMA Index Rate is a variable per annum rate of interest equal to the sum of (i) the SIFMA Index then in effect plus (ii) the Applicable Spread.

Applicable Spread. The Applicable Spread for the Series 2023[_]-2 Bonds is the margin added to the SIFMA Index as shown on the inside cover page of this Official Statement for the Series 2023[_]-2 Bonds. The Applicable Spread shall remain constant for the duration of the SIFMA Index Rate Period.

SIFMA Index. The *SIFMA Index* is the SIFMA Municipal Swap Index, which, for purposes of an Index Rate Reset Date for a Series of Bonds bearing interest at a SIFMA Index Rate, will be the level of such index which is issued weekly and which is compiled from the weekly interest rate resets of tax exempt variable rate issues included in a database maintained by Refinitiv Global Markets, Inc. ("*Refinitiv*") which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Calculation Agent. If the SIFMA Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date selected and designated by CCCFA in compliance with the Indenture.

Index Rate Reset Date. The Index Rate Reset Date for the SIFMA Index Rate applicable to the Series 2023[_]-2 Bonds shall be Thursday of each week or, if Thursday is not a Business Day, the next succeeding Business Day.

Series 2023[_]-3 Bonds

The Initial Interest Rate Period for the Series 2023[_]-3 Bonds will be a SOFR Index Rate Period, and the Series 2023[_]-3 Bonds will bear interest at the SOFR Index Rate determined as described below during the SOFR Index Rate Period.

SOFR Index Rate. The SOFR Index Rate is a daily variable interest rate equal to the sum of (a) the product of the SOFR Index and the Applicable Factor plus (b) the Applicable Spread on each day of a SOFR Effective Period. The SOFR Index Rate shall be not less than the Minimum Rate of 0.00% per annum, and shall not exceed the Maximum Rate.

Interest Payments. Interest on each Series 2023[_]-3 Bond is payable on the first Business Day of each month, commencing with the first Business Day of [_____] 202[_][*], and on the Mandatory Purchase Date. Such interest shall be calculated on the basis of a 365- or 366-day year, as applicable, and the actual number of days in the SOFR Accrual Period immediately preceding each Interest Payment Date.

Determination of the SOFR Index Rate. On or prior to the Initial Issue Date of the Series 2023[_]-3 Bonds, the SOFR Index Rate shall be calculated by the Calculation Agent and shall be in effect from and including the Initial Issue Date to but not including the next succeeding SOFR Effective Date. Thereafter, (a) the SOFR Index shall be determined by the Calculation Agent by 4:00 p.m., New York City time, on each SOFR Publish Date and (b) the Calculation Agent shall determine and provide to the Trustee the SOFR Index Rate by 12:00 noon, New York City time, on each SOFR Effective Date. The Calculation Agent shall also calculate and provide to CCCFA and the Trustee the amount of interest due and payable on each Interest Payment Date for the Series 2023[_]-3 Bonds not later than such Interest Payment Date. Upon the

[*] Preliminary; subject to change.

written request of any Owner of Series 2023[_]-3 Bonds, the Trustee shall provide the SOFR Index Rate then in effect, as determined by the Calculation Agent. All percentages resulting from any step in the calculation of interest on the Series 2023[_]-3 Bonds while in the SOFR Index Rate Period will be rounded, if necessary, to the nearest one millionth of a percentage point (i.e., to six decimal places), with 0.0000005 rounded upward to 0.000001, and all dollar amounts used in or resulting from such calculation of interest on the Series 2023[_]-3 Bonds will be rounded to the nearest cent (with one-half cent being rounded upward).

Applicable Factor. The Applicable Factor is the percentage of the SOFR Index shown on the inside cover page of this Official Statement for the Series 2023[_]-3 Bonds. The Applicable Factor will remain constant for the duration of the SOFR Index Rate Period.

Applicable Spread. The Applicable Spread for the Series 2023[_]-3 Bonds is the margin added to the product of the SOFR Index and the Applicable Factor shown on the inside cover page of this Official Statement. The Applicable Spread will remain constant for the duration of the SOFR Index Rate Period.

Business Day. For purposes of determining the SOFR Index Rate, "Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the cities in which are located the designated corporate trust offices of the Trustee, the Custodian, or the Calculation Agent are authorized by law or executive order to close, (c) any day on which the New York Stock Exchange, Inc. is closed, (d) a day on which the payment system of the Federal Reserve System is not operational, or (e) any day that the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the purposes of trading fixed-income securities.

Index Rate Reset Date. The Index Rate Reset Date for the Series 2023[_]-3 Bonds is each SOFR Effective Date.

NY Federal Reserve's Website is the website of the NY Federal Reserve currently at http://www.newyorkfed.org, or any successor website of the NY Federal Reserve. Such website is not incorporated by reference herein.

SOFR Accrual Period. The SOFR Accrual Period is (a) the number of actual days from and including the Initial Issue Date to but not including the first SOFR Interest Calculation Date and (b) thereafter, the number of actual days from and including the preceding SOFR Interest Calculation Date to but not including the next succeeding SOFR Interest Calculation Date, regardless of the number of calendar days in any month.

SOFR Effective Date. The SOFR Effective Date is each Business Day. Each SOFR Effective Date is an Index Rate Reset Date for the Series 2023[_]-3 Bonds.

SOFR Effective Period. The SOFR Effective Period is the number of actual days from a SOFR Effective Date to but not including the next SOFR Effective Date.

SOFR Index. The SOFR Index is the Secured Overnight Financing Rate reported on the NY Federal Reserve's Website, or reported by any successor to the NY Federal Reserve as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing the SOFR Index as of the SOFR Lookback Date, which will be used to calculate interest for the SOFR Effective Period

beginning on the SOFR Effective Date If the SOFR Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date designated by CCCFA in writing (with notice to, and which is available to, the Calculation Agent) in compliance with the Indenture. The Indenture requires that any substitute or replacement index must be consistent with any corresponding substitute or replacement index designated pursuant to the applicable interest rate swap.

SOFR Interest Calculation Date. The SOFR Interest Calculation Date is the first Business Day of each month, commencing with the first Business Day of [_____] 202[_][*].

SOFR Lookback Date. The SOFR Lookback Date is the third Business Day immediately preceding each SOFR Effective Date.

SOFR Publish Date. The SOFR Publish Date is the second Business Day immediately preceding each SOFR Effective Date.

Additional Information Regarding SOFR. The Secured Overnight Financing Rate (or SOFR) is published by the NY Federal Reserve and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The NY Federal Reserve reports that the Secured Overnight Financing Rate includes all trades in the Broad General Collateral Rate (as defined on the Federal Reserve's Website), plus bilateral Treasury repurchase agreement transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the "FICC"), a subsidiary of the Depository Trust and Clearing Corporation ("DTCC"). The Secured Overnight Financing Rate is filtered by the NY Federal Reserve to remove a portion of the foregoing transactions considered to be "specials" (as defined on the NY Federal Reserve's Website).

The NY Federal Reserve reports that the Secured Overnight Financing Rate is calculated as a volume- weighted median of transaction-level tri-party repo data collected from The Bank of New York Mellon as well as General Collateral Finance repurchase agreement transaction data and data on bilateral Treasury repurchase transactions cleared through the FICC's delivery-versus-payment service. The NY Federal Reserve notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC. The NY Federal Reserve notes on its publication page for the Secured Overnight Financing Rate that use of the Secured Overnight Financing Rate is subject to important limitations and disclaimers, including that the NY Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of the Secured Overnight Financing Rate at any time without notice. Secured Overnight Financing Rate rates are subject to revision until 2:30 p.m. on any date on which the Secured Overnight Financing Rate is published. The description of the Secured Overnight Financing Rate herein is not and does not purport to be exhaustive.

For a summary of certain risks relating to SOFR Index Rate Bonds, see "Certain Risks of SOFR Index Rate Bonds" below. For a more complete description of the Secured Overnight Financing Rate, see the NY Federal Reserve's website at https://apps.newyorkfed.org/markets/autorates/sofr. Such website is not incorporated by reference herein.

[*] Preliminary; subject to change.

Calculation Agent

The Bank of New York Mellon Trust Company, N.A. will be appointed by CCCFA as Calculation Agent for any Series 2023[_]-2 Bonds and any Series 2023[_]-3 Bonds that are issued pursuant to the Indenture and a Calculation Agent Agreement between the parties.

General

After the Initial Interest Rate Period, the Outstanding Bonds may be remarketed or converted into another Term Rate Period or Index Rate Period(s), as applicable, or may be remarketed or converted to one or more of a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period or an Index Rate Period(s). ***This Official Statement describes the terms of the Bonds only during the Initial Interest Rate Period and must not be relied upon after the Bonds have been converted to another Interest Rate Period***.

Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date, shall be paid to the Person in whose name that Bond is registered, with respect to the Series 2023[_]-1 Bonds, at the close of business on the 15th day of the Month immediately preceding the Month in which such Interest Payment Date falls, or, with respect to the Series 2023[_]-2 Bonds and Series 2023[_]-3 Bonds, the Business Day immediately preceding such Interest Payment Date (the *"Regular Record Date"*).

Any interest on any Bond which is payable, but is not punctually paid or duly provided, for on any Interest Payment Date (*"Defaulted Interest"*), shall forthwith cease to be payable to the Person who was the registered owner on the relevant Regular Record Date; and such Defaulted Interest shall be paid by CCCFA to the Persons in whose names the Bonds are registered at the close of business on a date (the *"Special Record Date"*) for the payment of such Defaulted Interest, which shall be fixed in the following manner: CCCFA shall notify the Bond Registrar in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time CCCFA shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to and approved in writing by the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in the Indenture. Thereupon the Bond Registrar will then fix a Special Record Date for the payment of such Defaulted Interest which will be not more than 15 days or less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Registrar of the written notice of the proposed payment. The Bond Registrar shall promptly notify CCCFA of such Special Record Date and, in the name and at the expense of CCCFA, will cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder at its address as it appears upon the registry books, not less than 10 days prior to such Special Record Date.

Tender

Mandatory Tender. The Bonds of each Series maturing on [_____], 1, 205[_] are required to be tendered for purchase on [_____] 1, 20[__][*] (the *"Mandatory Purchase Date"*), which is the day following the end of the Initial Interest Rate Period. The Purchase Price of the Bonds on the Mandatory

[*] Preliminary; subject to change.

Purchase Date is equal to 100% of the principal amount thereof and is payable in immediately available funds *first* from amounts on deposit in the Remarketing Proceeds Account established by the Indenture and *second* from amounts on deposit in the Issuer Purchase Account established by the Indenture. Accrued interest due on any Bonds to be purchased on the Mandatory Purchase Date, which is an Interest Payment Date, shall be paid from amounts on deposit in the Debt Service Account.

The Purchase Price of any Bond on the Mandatory Purchase Date shall be payable only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly-authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery in a notice provided to the Owners by the Trustee, such notice to be given no less than 15 days prior to the applicable Mandatory Purchase Date. In the event that any Owner of a Bond so subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on the Mandatory Purchase Date, then such Bond shall be deemed to be an Undelivered Bond, and no interest shall accrue thereon on and after the Mandatory Purchase Date, and the Owner thereof shall have no rights under the Indenture other than to receive payment of the Purchase Price thereof.

Failed Remarketing. Under the Indenture, a *"Failed Remarketing"* means, (a) with respect to the Bonds on any Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund), or (b) with respect to the Bonds (i) if, on the last day of the current Reset Period prior to a Mandatory Purchase Date, CCCFA has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of the Bonds, or (ii) if the conditions of (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by 12:00 noon, New York City time, on the fifth Business Day preceding such Mandatory Purchase Date. A Failed Remarketing will result in early termination of the Prepaid Energy Sales Agreement and the extraordinary redemption of the Bonds on the Mandatory Purchase Date.

No Optional Tender. The Bonds of each Series are ***not*** subject to optional tender by Bondholders during the Initial Interest Rate Period.

Redemption[*]

Optional Redemption of Series 2023[_]-1 Bonds. The Series 2023[_]-1 Bonds are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) on any date prior to May 1, 2029 at a Redemption Price, calculated by a quotation agent selected by CCCFA, equal to the greater of:

(a) the sum of the present values of the remaining unpaid payments of principal and interest to be paid on the Series 2023[_]-1 Bonds to be redeemed from and including the date of redemption (not including any portion of the interest accrued and unpaid as of the redemption date) to the earlier of the stated maturity date of such Series 2023[_]-1 Bond or the Initial Mandatory Purchase Date, discounted to the date of redemption on a semiannual basis at a discount rate equal

[*] Preliminary; subject to change.

to the Applicable Tax-Exempt Municipal Bond Rate (described below) for such Series 2023[_]-1 Bonds minus 0.25% per annum, and

(b) the Amortized Value thereof (described below);

in each case plus accrued and unpaid interest to the date of redemption.

The Series 2023[_]-1 Bonds maturing on or after the Initial Mandatory Purchase Date are subject to redemption at the option of CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and by lot within a maturity) on any date on or after May 1, 2029 at a Redemption Price selected by CCCFA, equal to the Amortized Value thereof as of the first day of the month of redemption (expressed as a percentage of the principal amount of the Series 2023[_]-1 Bonds to be redeemed), as follows:

REDEMPTION PERIOD	REDEMPTION PRICE	
(DATES INCLUSIVE)	20[__] MATURITY	205[_] MATURITY

in each case plus accrued and unpaid interest to the date of redemption.

In lieu of redeeming the Series 2023[_]-1 Bonds pursuant to the Indenture, the Trustee may, upon the Written Direction of CCCFA, use such funds as may be available by CCCFA or as are otherwise available under the Indenture to purchase such Series 2023[_]-1 Bonds on the applicable redemption date at a Purchase Price equal to the applicable Redemption Price of such Series 2023[_]-1 Bonds. Any Series 2023[_]-1 Bonds so purchased may be remarketed in a new Interest Rate Period or may be cancelled by the Trustee, in either case as set forth in the Written Direction of the Issuer.

The *"Applicable Tax-Exempt Municipal Bond Rate"* means, for the Bonds of any maturity, the "Comparable AAA General Obligations" yield curve rate for the year of such maturity or Mandatory Purchase Date, as applicable, as published by Refinitiv at least one Business Day and not more than fifteen Business Days prior to the date that notice of redemption is required to be given pursuant to the Indenture. If no such yield curve rate is established for the applicable year, the "Comparable AAA General Obligations" yield curve rate for the two published maturities most closely corresponding to the applicable year shall be determined, and the Applicable Tax-Exempt Municipal Bond Rate will be interpolated or extrapolated from those yield curve rates on a straight-line basis. This rate is made available daily by Refinitiv and is available to its subscribers through the internet address: www.tm3.com. In calculating the Applicable Tax-Exempt Municipal Bond Rate, should Refinitiv no longer publish the "Comparable AAA General Obligations" yield curve rate, then the Applicable Tax-Exempt Municipal Bond Rate shall equal the Consensus Scale yield curve rate for the applicable year. The Consensus Scale yield curve rate is made available daily by Municipal Market Analytics and is available to its subscribers through its internet address: www.mma-research.com. In the further event Municipal Market Analytics no longer publishes the Consensus Scale, the Applicable Tax-Exempt Municipal Bond Rate shall be determined by a major market maker in municipal securities, as the quotation agent, based upon the rate per annum equal to the annual yield to maturity, calculated using semi-annual compounding, of those tax-exempt general obligation bonds rated in the highest Rating Category by Moody's and S&P with a maturity date equal to the stated maturity date or Mandatory Purchase Date, as applicable, of such Bonds having characteristics

(other than the ratings) most comparable to those of such Bonds in the judgment of the quotation agent. The quotation agent's determination of the Applicable Tax-Exempt Municipal Bond Rate shall be final and binding on all parties in the absence of manifest error and may be conclusively relied upon in good faith by the Trustee.

"Amortized Value" means, with respect to any Series 2023[_]-1 Bond to be redeemed during the Initial Interest Rate Period, the principal amount of such Series 2023[_]-1 Bond multiplied by the price of such Bond expressed as a percentage, calculated by a major market maker in municipal securities, as the quotation agent, selected by CCCFA, based on the industry standard method of calculating bond prices (as such industry standard prevailed on the date such Series 2023[_]-1 Bond began to bear interest at its current Term Rate), with a delivery date equal to the date of redemption of such Series 2023[_]-1 Bond, a maturity date equal to the earlier of (a) the stated maturity date of such Bond or (b) the Term Rate Tender Date and a yield equal to such Series 2023[_]-1 Bond's original reoffering yield on the date such Series 2023[_]-1 Bond began to bear interest at its current Term Rate (as set forth on the inside cover page of this Official Statement) which, in the case of the initial Term Rate Period for the Series 2023[_]-1 Bonds and certain dates, produces the amounts for all of the Series 2023[_]-1 Bonds set forth in the Indenture, *provided that* in the case of an optional redemption of the Series 2023[_]-1 Bonds on or after May 1, 2029, the Amortized Value shall be determined as of the first day of the month of redemption (expressed as a percentage of the principal amount of the Series 2023[_]-1 Bonds to be redeemed). The Amortized Value of the Bonds as of certain dates during the Initial Interest Rate Period is shown on Appendix H.

Optional Redemption of Index Rate Bonds. The Series 2023[_]-2 Bonds and Series 2023[_]-3 Bonds are subject to optional redemption by CCCFA in whole or in part (in such amounts and by such maturities as may be specified by CCCFA and at random within a maturity), on any day on or after the first day of the third month preceding the Initial Mandatory Purchase Date for the Series 2023[_]-2 Bonds and Series 2023[_]-3 Bonds, as applicable, at a Redemption Price equal to 100% of the principal amount thereof to be redeemed, plus accrued and unpaid interest to the date of redemption. In lieu of redeeming the Series 2023[_]-2 Bonds or Series 2023[_]-3 Bonds pursuant to this provision, the Trustee may, upon the Written Direction of CCCFA, use such funds as may be available by CCCFA or as are otherwise available under the Indenture to purchase such Series 2023[_]-2 Bonds or Series 2023[_]-3 Bonds on the applicable redemption date at a Purchase Price equal to the applicable Redemption Price of such Series 2023[_]-2 Bonds or Series 2023[_]-3 Bonds, as applicable. Any Series 2023[_]-2 Bonds and Series 2023[_]-3 Bonds so purchased may be remarketed in a new Interest Rate Period.

Extraordinary Mandatory Redemption. The Bonds shall be subject to mandatory redemption prior to maturity in whole, and not in part, on the first day of the Month following the Early Termination Payment Date, which redemption date in the case of a Failed Remarketing will be the same day as the current Mandatory Purchase Date, at the following Redemption Prices: (a) in the case of the Series 2023[_]-1 Bonds, the Amortized Value thereof, and (b) in the case of the Series 2023[_]-2 Bonds and Series 2023[_]-3 Bonds, 100% of the principal amount thereof, plus, in each case, accrued and unpaid interest to the redemption date. See Appendix H for a schedule showing the Redemption Price (excluding accrued interest) of all of the Bonds upon an extraordinary mandatory redemption following an Early Termination Payment Date that occurs during the Initial Interest Rate Period.

CCCFA shall provide the Trustee with Written Notice of the Early Termination Payment Date (x) on the fifth business day preceding a Mandatory Purchase Date if an amount equal to the Purchase Price

of the Bonds that are subject to such Mandatory Purchase Date has not been deposited with the Trustee and (y) in all other cases, not more than five days after such date is determined.

Notice of Redemption. In the case of every redemption of Bonds, the Trustee must give notice, in the name of CCCFA, of the redemption of such Bonds by first-class mail, postage prepaid, to the registered owner of each Bond being redeemed, at its address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee in writing for that purpose, as of the Regular Record Date, not less than 15 days prior to the redemption date in the case of an extraordinary mandatory redemption described above, not less than 30 days prior to the redemption date in the case of mandatory sinking fund redemption or optional redemption of the Series 2023[_]-1 Bonds, and not less than 15 days prior to the redemption date in the case of mandatory sinking fund redemption or optional redemption of the Series 2023[_]-2 Bonds and Series 2023[_]-3 Bonds.

Each notice of redemption must identify the Bonds to be redeemed and must state (i) the redemption date, (ii) the Redemption Price or the manner in which it will be calculated, (iii) that the Bonds called for redemption must be surrendered to collect the Redemption Price, (iv) the address at which the Bonds must be surrendered, and (v) that interest on the Bonds called for redemption ceases to accrue on the redemption date. Failure of the registered owner of any Bonds which are to be redeemed to receive any such notice, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of any Bonds.

In the event that the Bonds may be subject to extraordinary redemption as a result of a Failed Remarketing that could occur if the Trustee has not received the Purchase Price of the Bonds by noon New York City time on the fifth Business Day preceding a Mandatory Purchase Date, a notice of extraordinary redemption of the Bonds may be a conditional notice of redemption, delivered in each case not less than 15 days prior to such Mandatory Purchase Date, stating that: (a) such redemption shall be conditioned upon the Trustee's failure to receive, by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Purchase Price of the Bonds required to be purchased on such Mandatory Purchase Date, and (b) if the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Bonds shall be purchased pursuant to a mandatory tender on such Mandatory Purchase Date rather than redeemed. If the full amount of the Purchase Price has been received by the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date, the Trustee shall withdraw such conditional notice of redemption prior to such Mandatory Purchase Date and the Bonds shall be purchased pursuant to the provisions of the Indenture relating to mandatory tender on such Mandatory Purchase Date rather than redeemed.

With respect to any notice of optional redemption of Bonds, unless upon the giving of such notice such Bonds will be deemed to have been paid under the Indenture, such notice must state that such redemption will be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of money sufficient to pay the Redemption Price of and interest on the Bonds to be redeemed, and that if such money shall not have been so received said notice will be of no force and effect, and CCCFA will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption will not be made and the Trustee must within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such money was not so received and that such redemption was not made.

Effect of Redemption. Notice having been given in the manner provided in the Indenture and, in the case of optional redemption of Bonds, sufficient moneys for payment of the Redemption Price of,

together with interest accrued to the redemption date on such Bonds being held by the Trustee, the Bonds or portions thereof so called for redemption will become due and payable on the redemption date so designated at the applicable Redemption Price, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds, or portions thereof, will be paid at the Redemption Price. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof of any like maturity to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof of so called for redemption shall cease to accrue and become payable.

Partial Redemption of Bonds. If less than all of the Bonds of a like series, tenor and maturity are called for redemption, the particular Bonds or portions of Bonds of such series, tenor and maturity to be redeemed must be selected by lot in such manner as the Trustee shall determine, in its sole discretion, from Bonds of such series, tenor and maturity not previously called for redemption; *provided*, *however*, that the portion of any Bond of a denomination of more than a minimum Authorized Denomination to be redeemed shall be in the principal amount of such minimum Authorized Denomination or a multiple thereof, and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of a minimum Authorized Denomination which is obtained by dividing by such minimum Authorized Denomination the principal amount of such Bond to be redeemed in part.

Book-Entry System

The Bonds will be initially issued in book-entry only form through the facilities of DTC. The Bonds will be transferable and exchangeable as set forth in the Indenture and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, principal of and premium, if any, and interest on the Bonds are payable by wire transfer by the Trustee to Cede & Co., as nominee for DTC, which, in turn, will remit such amounts to DTC participants for subsequent disbursement to the Beneficial Owners. See APPENDIX G — "BOOK-ENTRY SYSTEM".

(Remainder of page intentionally left blank)

DEBT SERVICE REQUIREMENTS

Set forth in the following table are the Debt Service requirements on the Bonds, giving effect to the fixed interest rates payable by CCCFA under the Interest Rate Swap, in each bond year during the Initial Interest Rate Period, excluding the purchase price of the Bonds that mature on [_____], 1, 205[_] that is payable on the Mandatory Purchase Date ([_____] 1, 20[__][*])[1].

YEAR ENDING [_____] 1	PRINCIPAL AMOUNT	INTEREST	TOTAL
TOTAL			

[1] As of the Mandatory Purchase Date, $_____ principal amount of the Bonds will remain outstanding and the Bonds outstanding are required to be purchased pursuant to mandatory tender.

THE PREPAID ENERGY SALES AGREEMENT

Purchase and Sale

Under the Prepaid Energy Sales Agreement, the Energy Supplier agrees to deliver EPS Compliant Energy in the monthly quantities set forth in the Prepaid Energy Sales Agreement (the *"Prepaid Energy"*) during the Delivery Period and CCCFA has agreed to make a lump sum advance payment to the Energy Supplier for all of the cost of the Prepaid Energy to be delivered during the Delivery Period. The total quantity of expected Prepaid Energy to be delivered by the Energy Supplier during the initial Delivery Period is approximately [_____] MWh and is subject to change as described below under the heading "*Aggregate Quantity*".

For discussion of the Contract Price, see "THE POWER SUPPLY CONTRACT — *Pricing Provisions*".

Delivery of Prepaid Energy

Assigned Energy. Assigned Energy delivered under the Prepaid Energy Sales Agreement shall be Scheduled at the delivery point specified in the applicable Assignment Agreement (an "*Assigned Delivery Point*"). Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement. At the start of the Delivery Period, the Project Participant will assign the Initially Assigned PPA, as described under "– *Assignment of Power Purchase Agreements*" below, for delivery of Assigned Energy equal to the Prepaid Energy required to be delivered by the Energy Supplier during the term of such assignments.

Base Energy. If the Assigned Energy for any measurement period during the term of the Prepaid Energy Sales Agreement is less than the quantity of Prepaid Energy required to be delivered during such period, the Energy Supplier is required to deliver Base Energy for remarketing under the terms of the

[*] Preliminary; subject to change.

Prepaid Energy Sales Agreement. Base Energy is not expected to be delivered during the Initial Reset Period.

Title. Title to and risk of loss of the Energy delivered under the Prepaid Energy Sales Agreement shall pass from the Energy Supplier to CCCFA at the applicable Delivery Point. The transfer of title and risk of loss for all Assigned Energy shall be set forth in the applicable Assignment Agreement.

Aggregate Quantity. The aggregate quantity of Energy to be delivered during the term of the Delivery Period varies based on the quantities of Prepaid Energy CCCFA has agreed to deliver to the Project Participant under the Power Supply Contract. The aggregate average quantity of Monthly Projected Quantities under the Prepaid Energy Sales Agreement during the Initial Reset Period is approximately [_____] MWh. The average monthly quantity of electricity is preliminary and subject to adjustment at the time of the sale of the Bonds, based upon the amount of proceeds received by CCCFA.

Assignment of Power Purchase Agreements

The Project Participant has assigned its Initial Assigned Rights and Obligations to the Energy Supplier. The Assigned Energy during the Initial EPS Energy Periods will be delivered from a portfolio of carbon free resources that includes large hydroelectric facilities located in the Pacific Northwest. The Initially Assigned PPA allows for MSCG to add additional carbon free resources, upon written notice to the Project Participant in order to meet the guaranteed minimum delivery obligations thereunder.

Failure to Deliver or Receive Energy

Assigned Quantities. Neither CCCFA nor the Energy Supplier shall have any liability or other obligation to one another for any failure to Schedule, receive, or deliver Assigned Quantities, except as described under the following subheading "— *Energy Remarketing*."

Base Energy. Because CCCFA will have prepaid for all Energy to be delivered under the Prepaid Energy Sales Agreement, the Energy Supplier will be required to pay CCCFA for all Base Energy that the Energy Supplier fails to deliver or CCCFA fails to receive for any reason, including events of *force majeure*. The amount the Energy Supplier is required to pay is equal to the quantity that was not delivered or received multiplied by a price that is determined in a manner depending upon the reason for such failure:

- If CCCFA fails to receive all or any portion of Base Energy for reasons other than *force majeure,* for which CCCFA has previously issued a Remarketing Notice in accordance with the Prepaid Energy Sales Agreement, CCCFA shall be deemed to have issued a Remarketing Notice with respect to such portion.

- If either the Energy Supplier fails to deliver all or any portion of Base Energy or CCCFA fails to receive all or any portion of Base Energy due to events of *force majeure*, the Energy Supplier is required to pay the applicable Contract Index Price for such portion of Base Energy.

The "Contract Index Price" is the Day-Ahead Market Price for the delivery point specified in the Prepaid Energy Sales Agreement. See "THE POWER SUPPLY CONTRACT — *Pricing Provisions*". **Base Energy is not expected to be delivered during the Initial Reset Period.**

Provisional Payments and Energy Remarketing

In the event Assigned Quantities equivalent to the Monthly Projected Quantities for any month are not delivered under an Assigned PPA, the Energy Supplier will be obligated to make a payment to CCCFA equal to the quantity of Assigned Energy not delivered multiplied by the Day-Ahead Market Price during the Initial EPS Energy Period and thereafter the Day-Ahead Average Price (any such payment, a "*Provisional Payment*"). To the extent that the Energy Supplier makes a Provisional Payment to CCCFA and the Annual Quantity is not delivered in full within the applicable Contract Year, such Provisional Payment will be deemed a remarketing and treated as a purchase by the Energy Supplier for its own account and will constitute a private-business use sale. In such case, the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of Energy. To the extent the Project Participant has not remediated the proceeds of such sales within twelve months of when the remarketing sale is deemed to occur, MSES is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to Municipal Utilities (as defined in Appendix B).

In the event of any expiration or termination of an Assigned PPA, the Project Participant is required to use Commercially Reasonable Efforts to enter into a new limited assignment agreement relating to one or more additional PPAs, providing for the assignment of its rights to delivery of quantities of EPS Compliant Energy equivalent to the Prepaid Quantities for the term of such assignment. If (i) the Project Participant exercises Commercially Reasonable Efforts to enter into a limited assignment agreement for the redelivery of EPS Compliant Energy under its Power Supply Contract and (ii) the Project Participant is not in default under its Power Supply Contract, then:

- MSES shall be obligated to remarket Base Energy and purchase such Base Energy for its own account at the applicable index price;

- the Project Participant shall be obligated to use Commercially Reasonable Efforts to remediate the proceeds of such sales with other qualifying purchases of energy; and

- to the extent the Project Participant has not remediated the proceeds of such sales within twelve months, MSES is required to use Commercially Reasonable Efforts to remediate such proceeds through Qualifying Sales to Municipal Utilities.

To the extent that the Project Participant (i) has not exercised commercially reasonable efforts to enter into a limited assignment agreement for the redelivery of EPS Compliant Energy under its Power Supply Contract, (ii) is in default under its Power Supply Contract or (iii) has experienced a loss of Energy load such that it has insufficient demand for Prepaid Quantities, then:

- MSES is required to use Commercially Reasonable Efforts to remarket equivalent quantities of Base Energy to Municipal Utilities for a Qualifying Use at a net price not less than the Contract Price; and

- to the extent MSES cannot remarket such quantities to Municipal Utilities for a Qualifying Use, it is required to purchase such quantities for its own account.

Remarketing Non-Default Termination Event

MSES is required to use Commercially Reasonable Efforts to remarket Base Energy first in Qualifying Sales and next in non-private business sales. If MSES is unable to remarket Base Energy required to be remarketed under the Prepaid Energy Sales Agreement in Qualifying Sales or in non-private business sales, it will purchase such Base Energy for its own account.

If after two years there are remaining remarketing proceeds from sales to purchasers other than Municipal Utilities or other qualified users, such balance will count against either a limit equivalent to a quantity of Energy, in MWh, equal to $15 million divided by a fixed price per MWh under the Prepaid Energy Sales Agreement (or such higher amount determined by Bond Counsel) or a limit of 10% of the original quantity of Energy purchased under the Prepaid Energy Sales Agreement (or such higher amount determined by Bond Counsel), depending on the status of the purchaser at the time the proceeds are received by CCCFA. Both limits apply in the aggregate over the term of the Prepaid Energy Sales Agreement. Once either limit has been exceeded, a Remarketing Non-Default Termination Event will be deemed to have occurred and the Prepaid Energy Sales Agreement will terminate automatically on the 90th day after such event unless CCCFA and MSES (a) (i) agree to reduce the daily quantity of energy purchased each month, (ii) take the actions necessary to remediate the necessary amount of the Bonds pursuant to their optional redemption provisions, and (iii) deliver to the Trustee amendments to the Prepaid Energy Sales Agreement, Power Supply Contract and Commodity Swaps reflecting the corresponding reduction in Energy quantities, as well as revisions to certain schedules of the Indenture, an accountant's verification, a Favorable Opinion of Bond Counsel and a Rating Confirmation, or (b) Bond Counsel otherwise provides an opinion that such event has not affected the tax-exempt status of the interest on the Bonds. The limits described above are mandated by certain tax requirements and are subject to increase based on revised tax requirements as well as any bond remediations undertaken by CCCFA outside of a termination of the Prepaid Energy Sales Agreement.

Payment Provisions

The prepayment from CCCFA to MSES will be due prior to the inception of the term of the Prepaid Energy Sales Agreement. To the extent any other amount becomes due to MSES or CCCFA thereunder (for example, as a result of remarketing or failure to deliver by MSES), such amount will be due to the other party on or before the 25th or 22nd day, respectively, of the month following the month in which such amount accrues.

Force Majeure

Each of CCCFA and MSES are excused from their respective obligations to receive and deliver Energy under the Prepaid Energy Sales Agreement to the extent prevented by Force Majeure (as defined in Appendix B). MSES is required to pay to CCCFA the Day Ahead Market Price with respect to any Base Energy not delivered due to Force Majeure.

Assignment

Neither party may assign its rights under the Prepaid Energy Sales Agreement without the other party's consent except:

(a) pursuant to the Indenture, CCCFA may transfer, sell, pledge, encumber or assign the Prepaid Energy Sales Agreement to the Trustee in connection with a financing arrangement; *provided* that CCCFA may not assign its rights under the Prepaid Energy Sales Agreement unless, contemporaneously with the effectiveness of such assignment, CCCFA also assigns the CCCFA Commodity Swap and CCCFA Custodial Agreement to the same assignee; and

(b) MSES may assign the Prepaid Energy Sales Agreement to an affiliate of MSES with the prior consent of CCCFA, not to be unreasonably withheld; *provided* that (i) the Morgan Stanley Guarantee continues to apply to the obligations of such assignee or (ii) the assignee provides CCCFA with a parent guarantee and a Rating Confirmation, which assignment constitutes a novation; and *provided* that MSES may not assign its rights under the Prepaid Energy Sales Agreement unless, contemporaneously with the effectiveness of such assignment, MSES also assigns the MSES Commodity Swap and the MSES Custodial Agreement to the same assignee.

CCCFA has certain rights to cause MSES to novate the Prepaid Energy Sales Agreement as of the commencement of a new Reset Period. Upon any such novation, neither MSES nor Morgan Stanley will have any obligations (contingent or otherwise) or be required to make any payment under any of the transaction documents described above, the Morgan Stanley Guarantee or otherwise, other than obligations that would have existed or payments that would have been required (or guaranteed) had the Prepaid Energy Sales Agreement terminated as of the end of the last Reset Period that commenced prior to such novation (the *"Assignment Payment"*).

Termination

CCCFA will have the right to terminate the Prepaid Energy Sales Agreement prior to the expiration of the term under the following circumstances:

- MSES's failure to pay when due any amounts owed to CCCFA pursuant to the Prepaid Energy Sales Agreement within two Business Days after receiving notice of a late payment, unless Morgan Stanley has made such payment under the Morgan Stanley Guarantee;
- MSES's insolvency or bankruptcy;
- any representation or warranty made by MSES in the Prepaid Energy Sales Agreement is proven to have been incorrect in any material respect when it was made;
- any interpretation, enactment or change or amendment to any governmental approval or law occurring after the effective date of the Prepaid Energy Sales Agreement that results or would result in the performance of any obligation of MSES to deliver energy or CCCFA to receive energy under the Prepaid Energy Sales Agreement being prohibited or unlawful; or
- the Interest Rate Swap is terminated by CCCFA.

MSES will have the right to terminate the Prepaid Energy Sales Agreement prior to the expiration of the term under the following circumstances:

- CCCFA's failure to pay when due any amounts owed to MSES within five Business Days after receiving notice of a late payment;
- CCCFA's insolvency or bankruptcy;
- any representation or warranty made by CCCFA in the Prepaid Energy Sales Agreement is proven to have been incorrect in any material respect when it was made;
- any interpretation, enactment or change or amendment to any governmental approval or law occurring after the effective date of the Prepaid Energy Sales Agreement that results or would result in the performance of any obligation of MSES to deliver energy or CCCFA to receive energy under the Prepaid Energy Sales Agreement being prohibited or unlawful;
- if the Project Participant makes a Remarketing Election for a Reset Period; or
- if the Power Supply Contract has been terminated or is otherwise no longer in effect.

The Prepaid Energy Sales Agreement will automatically terminate prior to the expiration of the term under the following circumstances:

- the failure to replace, within 120 days, either the CCCFA Commodity Swap or the MSES Commodity Swap if the CCCFA Commodity Swap is terminated for any reason or termination occurs automatically under the CCCFA Commodity Swap as a result of an event of default or a termination event thereunder;
- except in limited circumstances, the failure to replace, within 120 days, the MSES Commodity Swap or the CCCFA Commodity Swap if the MSES Commodity Swap is terminated for any reason or termination occurs automatically under the MSES Commodity Swap as a result of an event of default or a termination event thereunder;
- designation by MSES of an early termination date under the Interest Rate Swap;
- a Failed Remarketing has occurred;
- both (a) Morgan Stanley has delivered a termination notice of the Morgan Stanley Guarantee, and (b) no novation of the Prepaid Energy Sales Agreement has been effected (as described under THE PREPAID ENERGY SALES AGREEMENT—*Assignment*" above) prior to the end of the Initial Reset Period or the then-current Reset Period during which such termination notice was delivered, in which case the Prepaid Energy Sales Agreement will terminate as of the end of the Initial Reset Period or the then-current Reset Period, as applicable;
- the Morgan Stanley Guarantee ceases to be in full force or effect or is declared to be null and void or Morgan Stanley contests the validity or enforceability of the Morgan Stanley Guarantee; *provided* that, for avoidance of doubt, no such event will occur as a

consequence of Morgan Stanley becoming subject to a receivership, insolvency, liquidation, resolution or similar proceeding; or

- the occurrence of a Remarketing Non-Default Termination Event (as described under "THE PREPAID ENERGY SALES AGREEMENT—*Remarketing Non-Default Termination Event*" above) and either (a) CCCFA and MSES fail to take the remedial actions required by the Prepaid Energy Sales Agreement or (b) CCCFA has not received an Opinion of Bond Counsel to the effect that such event has not affected the tax-exempt status of the Bonds, in either case within 90 days after the Remarketing Non-Default Termination Event has occurred.

Termination Payment

If the Prepaid Energy Sales Agreement is terminated before the expiration of its stated term for any reason, MSES will be required to pay a scheduled Termination Payment to CCCFA. The Termination Payment schedule is generally based on the unamortized portion of the prepayment proceeds that were received by MSES. The amount of the Termination Payment, together with the amounts required to be on deposit in certain Funds and Accounts held by the Trustee, has been calculated to provide a sum at least sufficient to pay the Redemption Price of the Bonds, assuming that MSES and [_____], as Investment Agreement Provider, pay and perform their respective contract obligations when due. See APPENDIX I for a schedule showing the Termination Payment due by month during the Initial Interest Rate Period.

Security

MSES's payment obligations under the Prepaid Energy Sales Agreement are unconditionally guaranteed by Morgan Stanley under the Morgan Stanley Guarantee.

The Morgan Stanley Guarantee will expire or terminate, as applicable, on the earliest of (i) the last day of the Delivery Period under the Prepaid Energy Sales Agreement, (ii) the earlier termination of the Prepaid Energy Sales Agreement, and (iii) the last day of the Initial Reset Period or any Reset Period if Morgan Stanley delivers a termination notice to CCCFA, *provided that* the Morgan Stanley Guarantee will continue in full force and effect with respect to MSES's accrued payment obligations under the Prepaid Energy Sales Agreement. An election by Morgan Stanley to terminate the Morgan Stanley Guarantee (without a novation of the Prepaid Energy Sales Agreement and certain other contracts as described under "THE PREPAID ENERGY SALES AGREEMENT—*Assignment*") is an automatic termination event under the Prepaid Energy Sales Agreement as of the end of the Initial Reset Period or the then-current Reset Period and will result in the extraordinary mandatory redemption of the Bonds as described under "THE BONDS—Redemption—*Extraordinary Mandatory Redemption*."

Receivables Purchase Provisions

General. Pursuant to the Receivables Purchase Provisions of the Prepaid Energy Sales Agreement, MSES has agreed to purchase from CCCFA the rights to payment of net amounts owed by the Project Participant under the Power Supply Contract (the *"Put Receivables"*). CCCFA is required to sell and MSES is required to purchase Put Receivables under the circumstances described below under *"Put Receivables."*

Put Receivables. Upon a payment default by the Project Participant under its Power Supply Contract, CCCFA shall put to MSES and MSES shall purchase Put Receivables with a face value equal to the amount of the non-payment by such Project Participant. CCCFA shall exercise its put option by delivering notice (the *"Put Option Notice"*) to MSES on the 21st day of the Month (or, if the 21st is not a Business Day, then on the next Business Day of the Month) in which the relevant payment default occurs. The Put Option Notice shall include a description of the Put Receivables (including the relevant Project Participant, aging information and face amount of the Put Receivables) to be sold to MSES (collectively, the *"Put Identified Receivables"*).

THE INTEREST RATE SWAP

General

With respect to any Index Rate Bonds that are issued, CCCFA will enter into the Interest Rate Swap in order to more closely match its payment obligations on such Index Rate Bonds with its expected Revenues from payments under the Power Supply Contract and the CCCFA Commodity Swap. The Interest Rate Swap consists of a 2002 ISDA Master Agreement, a schedule thereto and a confirmation. The term of the Interest Rate Swap will extend for the term of the Initial Interest Rate Period.

Payments Under the Interest Rate Swap

Under the Interest Rate Swap, MSES, as Interest Rate Swap Counterparty, is obligated to pay CCCFA on the Business Day preceding each Interest Payment Date floating amounts equal to the amount of interest due on the Index Rate Bonds on such Interest Payment Date, and CCCFA is obligated to pay the Interest Rate Swap Counterparty fixed amounts calculated using a fixed rate and notional amounts equal to the principal amount of Index Rate Bonds then Outstanding.

Interest Rate Swap Receipts received by CCCFA are deposited directly into the Debt Service Account. Interest Rate Swap Payments owed by CCCFA are payable from amounts on deposit in the Debt Service Account. Neither party will be obligated to make any payment (other than accrued and unpaid amounts) under the Interest Rate Swap upon early termination thereof.

Events of Default and Termination Events under the Interest Rate Swap

The Interest Rate Swap contains standard Events of Default and Termination Events set forth in the form of the 2002 ISDA Master Agreement (Multicurrency-Cross Border) published by the International Swap Dealers Association, Inc. (available at www.isda.org), subject to such modifications contained in the Schedule to such ISDA Master Agreement as are generally applied to municipal counterparties.

The Schedule to the ISDA Master Agreement provides that certain of such Events of Default and Termination Events will not apply or provides for a modification to the remedies available upon the occurrence of such an event. The Events of Default not applicable to CCCFA are Section 5(a)(ii)(2) (Repudiation of Agreement), Section 5(a)(iii) (Credit Support Default), Section 5(a)(v) (Default under Specified Transaction) and Section 5(a)(vi) (Cross Default), and the Termination Event not applicable to CCCFA is Section 5(b)(ii) (Force Majeure Event). Section 5(a)(ii)(2), Section 5(a)(iii), Section 5(a)(v), Section 5(a)(vi) and Section 5(b)(ii) are also not applicable to the Interest Rate Swap Counterparty. Neither CCCFA nor the Interest Rate Swap Counterparty is required to pay any termination payment or other similar amount upon an early termination of the Interest Rate Swap.

The Interest Rate Swap also contains Additional Termination Events that will occur (a) upon any amendment, supplement or modification to the Indenture that materially adversely affects the priority of or security for CCCFA's obligation to make payments under the Interest Rate Swap and (b) automatically upon the occurrence of an early termination of the Prepaid Energy Sales Agreement.

THE RE-PRICING AGREEMENT

General

CCCFA and MSES will enter into the Re-Pricing Agreement which provides for the determination of Reset Periods subsequent to the Initial Reset Period to correspond to the related Interest Rate Periods on the Bonds. The Initial Reset Period under the Prepaid Energy Sales Agreement and the Power Supply Contract begins on [_____] 1, 202[_] and ends on the last day of [_____] 20[__][*]. The Initial Reset Period under the Prepaid Energy Sales Agreement ends one month before the end of the Initial Interest Rate Period, and each subsequent Reset Period will end one month before the end of the corresponding Interest Rate Period.

The debt service requirements on the Bonds for each Reset Period will not be known until the interest rate on the Bonds has been determined for such Reset Period. The Power Supply Contract includes provisions for the adjustment of the Energy sales price for each Reset Period so as to provide Revenues sufficient to enable CCCFA to meet the debt service requirements on the Bonds during each Reset Period. Accordingly, the Re-Pricing Agreement further provides for the calculation of the amount of the Available Discount (in US Dollars per MWh) for sales of Energy to the Project Participant under the Power Supply Contract during each Reset Period.

In the event that the Available Discount for any Reset Period is less than the Minimum Discount specified in the Power Supply Contract (which includes both monthly discounts and any annual refunds), the Project Participant may elect not to take its Contract Quantities of Energy during the Reset Period, and to have such Energy remarketed for the duration of the Reset Period (a *"Remarketing Election"*) by giving notice of such election to CCCFA, the Energy Supplier and the Trustee. Any Energy that is covered by a Remarketing Election will be remarketed in accordance with the provisions of the Indenture and the Prepaid Energy Sales Agreement. In the event that the Project Participant makes Remarketing Elections with respect the Energy to be delivered during a Reset Period, MSES will have the right to terminate the Prepaid Energy Sales Agreement by notice to CCCFA. See "THE PREPAID ENERGY SALES AGREEMENT—*Energy Remarketing*" and "—*Termination*".

[*] Preliminary; subject to change.

THE ENERGY SUPPLIER, MSCG AND MORGAN STANLEY

Set forth below is certain information regarding the Energy Supplier, MSCG and Morgan Stanley that has been obtained from such persons and other sources believed to be reliable. CCCFA assumes no responsibility for such information and cannot guarantee the accuracy thereof. Under no circumstance is the Energy Supplier, MSCG or Morgan Stanley obligated to pay any amounts owed in respect of the Bonds.

MSES. The Energy Supplier is an indirect, wholly-owned subsidiary of Morgan Stanley. The FERC has granted the Energy Supplier market-based rate authorization for wholesale sales of electric energy, capacity and ancillary services. The Energy Supplier is not registered with the CFTC in any capacity, does not engage in swap dealing activities, and does not provide advisory or structuring services relating to swaps. The payment obligations of the Energy Supplier under the Prepaid Energy Sales Agreement, the Interest Rate Swap and the MSES Commodity Swap are guaranteed by Morgan Stanley under the Morgan Stanley Guarantees described herein.

MSCG. MSCG is an indirect, wholly-owned subsidiary of Morgan Stanley. MSCG is engaged, among other things, in client facilitation and market-making activities in commodities and commodity derivative contracts. MSCG is provisionally registered as a swap dealer with the CFTC.

Morgan Stanley. Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. Morgan Stanley was originally incorporated under the laws of the State of Delaware in 1981, and its predecessor companies date back to 1924. Morgan Stanley is a financial holding company regulated by the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, as amended. Morgan Stanley conducts its business from its headquarters in and around New York City, its regional offices and branches throughout the U.S., and its principal offices in London, Tokyo, Hong Kong and other world financial centers. Morgan Stanley's principal executive offices are at 1585 Broadway, New York, New York 10036, and its telephone number is (212) 761-4000.

The senior unsecured long-term debt of Morgan Stanley is rated "A1" by Moody's, "A-" by S&P, and "A+" by Fitch.

Morgan Stanley has provided the Morgan Stanley Guarantee to CCCFA pursuant to which it guarantees the Energy Supplier's payment obligations under the Prepaid Energy Sales Agreement and the Interest Rate Swap. Morgan Stanley has also provided the Morgan Stanley Commodity Swap Guarantee to the Commodity Swap Counterparty pursuant to which it guarantees the Energy Supplier's payment obligations to the Commodity Swap Counterparty under the MSES Commodity Swap. Under no circumstance is the Energy Supplier or Morgan Stanley obligated to pay any amounts owed in respect of the Bonds.

THE POWER SUPPLY CONTRACT

General

Under the Power Supply Contract, CCCFA has agreed to sell and deliver to the Project Participant, and the Project Participant has agreed to purchase and receive from CCCFA at the delivery point, quantities

of EPS Compliant Energy, which shall be comprised of Assigned Energy and other EPS Compliant Energy delivered to CCCFA by the Energy Supplier under the Prepaid Energy Sales Agreement.

The Power Supply Contract will remain in full force and effect for a primary term ending at the end of the Delivery Period under the Prepaid Energy Sales Agreement; *provided, however*, that if the Prepaid Energy Sales Agreement is terminated, the Power Supply Contract will terminate on the Termination Date.

THE OBLIGATION OF THE PROJECT PARTICIPANT TO MAKE PAYMENTS TO CCCFA UNDER THE POWER SUPPLY CONTRACT IS NOT, NOR SHALL IT BE CONSTRUED AS, A GUARANTY OR ENDORSEMENT OF OR A SURETY FOR, THE BONDS. SUCH OBLIGATION OF THE PROJECT PARTICIPANT IS NOT A GENERAL OBLIGATION OF THE PROJECT PARTICIPANT AND IS PAYABLE SOLELY FROM THE REVENUES DERIVED FROM SALES OF ENERGY TO THEIR CUSTOMERS. THE INDENTURE DOES NOT MORTGAGE THE CLEAN ENERGY PROJECT OR ANY TANGIBLE PROPERTIES OR ASSETS OF CCCFA OR THE PROJECT PARTICIPANT.

For information regarding the Project Participant, see APPENDIX A.

Pricing Provisions

Contract Price. For each MWh of Prepaid Energy delivered to the Project Participant, the Project Participant shall pay CCCFA the applicable Contract Price. The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products. The *"Contract Price"* means (i) for Monthly Projected Quantities, the Day-Ahead Market Price minus the Monthly Discount during the Initial EPS Energy Period and thereafter the Day-Ahead Average Price for the Month in which Energy is delivered minus the Monthly Discount; and (ii) for any quantities in excess of the Monthly Projected Quantity, the Day-Ahead Market Price during the Initial EPS Energy Period and thereafter the Day-Ahead Average Price for the Month in which Energy is delivered. With respect to Monthly Excess Quantities and Assigned Paygo Quantities (as such terms are defined in APPENDIX B), the Project Participant's payment obligations under the Power Supply Contract shall be satisfied by its payment of the "Retained Payment Amount" consistent with the terms of the Participant Custodial Agreement (as such terms are defined in APPENDIX B).

If Base Energy is required to be delivered and remarketed pursuant to the Prepaid Energy Sales Agreement, the Energy Supplier will to remarket such Base Energy at a price, inclusive of applicable fees, not less than the Contract Price. See "THE PREPAID ENERGY SALES AGREEMENT — *Energy Remarketing*".

Through the Clean Energy Project, the Project Participant anticipates realizing a discount to existing fixed contract prices or to market Energy prices. No assurance can be given as to the total actual discount the Project Participant will realize.

Project Administration Fee

Under the Power Supply Contract, the Project Participant is required to pay to CCCFA annually a Project Administration Fee in an amount equal to $_____ minus the balance of the Administrative Fee Fund as of January 1 of such year.

Assignment of Power Purchase Agreements

General. Concurrently with the execution of its Power Supply Contract, the Project Participant will assign the Initial Assigned Rights and Obligations to the Energy Supplier for delivery under the Prepaid Energy Sales Agreement.

Under the terms of a letter agreement, commencing six months prior to the expiration of any EPS Energy Period, or otherwise immediately upon the early termination or anticipated early termination of an EPS Energy Period, the Project Participant shall exercise Commercially Reasonable Efforts to assign the Assigned Rights and Obligations under one or more Assigned PPAs, subject to MSCG's consent thereto, pursuant to which the Project Participant is purchasing EPS Compliant Energy, and MSCG will be obligated to sell and deliver Assigned Energy it receives under all Assigned Rights and Obligations to the Energy Supplier pursuant to the Energy Management Agreement, and the Energy Supplier will be obligated to deliver such EPS Compliant Energy to CCCFA pursuant to the Prepaid Energy Sales Agreement. See "THE CLEAN ENERGY PROJECT - *Assignment of Power Purchase Agreements by the Project Participant*".

Failure to Obtain EPS Compliant Energy. Under the terms of a letter agreement, to the extent an EPS Energy Period terminates or expires and the Project Participant and the Energy Supplier have been unable to obtain EPS Compliant Energy for delivery, then the Energy Supplier shall remarket the Base Energy pursuant to the Prepaid Energy Sales Agreement, the obligations of the Project Participant and the Energy Supplier described under this heading shall continue to apply and the Project Participant may not make any new commitment to purchase Priority Energy during such a remarketing. See "THE PREPAID ENERGY SALES AGREEMENT – *Energy Remarketing*" and "THE POWER SUPPLY CONTRACT – *Remarketing of Energy*".

Billing and Payment

Not later than ten days following the end of the Month during the Delivery Period, CCCFA must provide a monthly billing statement of the amount due for the Monthly Projected Quantity of Energy actually delivered in the previous Month. The due date for payment by the Project Participant will be the 20th day of the month following the month of delivery (or if such day is not a Business Day, the preceding Business Day). If the Project Participant disputes the appropriateness of any charge or calculation in any billing statement, the Project Participant, within the time provided for payment, must notify CCCFA of the existence of and basis for such dispute and, absent manifest error, must pay all amounts billed by CCCFA, including any amounts in dispute. If it is ultimately determined that the Project Participant did not owe the disputed amount, CCCFA must pay the Project Participant the disputed amount plus interest.

Annual Refunds

CCCFA has agreed to provide annual refunds to the Project Participant from amounts available for distribution pursuant to the Indenture. In determining the amount of such refunds, CCCFA may reserve such funds as may be required under the terms of the Indenture or as it deems reasonably necessary and appropriate to cover anticipated costs and expenses to be incurred in the next succeeding bond year, with certain limitations.

Covenants of the Project Participant

Operating Expense. The Project Participant covenants (a) to make the payments on its part due under the Power Supply Contract from the revenues of its electric utility system, and only from such revenues, as an item of operating expense and (b) that it will not pledge or encumber its revenues in any way which creates a prior or superior obligation to its obligation to make payments under the Power Supply Contract.

Maintenance of Rates and Charges. The Project Participant has covenanted and agreed that it will establish, maintain, and collect rates and charges for its electric utility system so as to provide revenues sufficient, together with all available electric system revenues, to enable it to pay to CCCFA all amounts payable under its Power Supply Contract and to maintain required reserves.

Qualifying Use. The Project Participant has agreed that it will (a) provide such information with respect to its electric utility system as may be requested by CCCFA in order to establish the tax-exempt status of the Bonds, and (b) act in accordance with such written instructions as tax counsel to CCCFA may provide from time to time that are reasonably necessary to enable CCCFA to maintain the tax-exempt status of interest on the Bonds. Without limiting the foregoing, the Project Participant has further agreed to use the Energy purchased under the Power Supply Contract (a) in a "qualifying use" as defined in the applicable U.S. Treasury Regulation, (b) in a manner that will not result in any private business use of that Energy within the meaning of Section 141 of the Code, and (c) consistent with its Federal Tax Certificate (collectively, the *"Qualifying Use Requirements"*).

In the event that any portion of the Project Participant's contract quantity is remarketed in a manner that does not comply with the Qualifying Use Requirements, the Project Participant agrees to exercise Commercially Reasonable Efforts to use the proceeds of such remarketing to purchase Energy (other than Priority Energy, which are described below) for use in compliance with such Qualifying Use Requirements. The Project Participant further agrees to provide monthly remediation certificates to CCCFA with respect to other purchases of Energy that is used in compliance with the Qualifying Use Requirements to remediate the proceeds from sales of Energy that were sold in a transaction that does not comply with the Qualifying Use Requirements

Priority Energy. The Project Participant agrees to purchase and receive the Base Energy and Assigned Quantities to be delivered under its Power Supply Contract (a) in priority over and in preference to all other Energy available to it that are not Priority Energy; and (b) on at least a *pari passu* and non-discriminatory basis with other Priority Energy. For purposes of this covenant and during the Delivery Period, *"Priority Energy"* means (a) Base Energy and Assigned Quantities, and (b) other Energy that the Project Participant is obligated to take under a long-term agreement that is purchased with or generated using capacity that was constructed using the proceeds of tax-exempt bonds, notes, or other obligations.

Delivery Points; Title and Risk of Loss

Assigned Energy. Assigned Energy delivered under the Power Supply Contract shall be Scheduled for delivery to and receipt at the applicable Assigned Delivery Point specified in the applicable Assignment Agreement. All other Assigned Energy will be delivered pursuant to the terms of the applicable Assignment Agreement. Scheduling and transmission of Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Title. Title to and risk of loss of the Prepaid Energy delivered under each Power Supply Contract shall pass from the CCCFA to the Project Participant at the applicable Assigned Delivery Point. The transfer of title and risk of loss for Assigned Energy shall be in accordance with the applicable Assignment Agreement.

Failure to Perform

To the extent that specified quantities of Assigned Product are not delivered to the Project Participant for reasons other than Force Majeure, the remarketing provisions of the Prepaid Energy Sales Agreement shall apply. See "THE PREPAID ENERGY SALES AGREEMENT — *Energy Remarketing*". Neither the Project Participant nor CCCFA has any liability to one another for any failure to take or deliver Assigned Energy, except as described in this section under "— *Assignment of Power Purchase Agreements*."

Remarketing of Energy

In the event the Project Participant does not require all or any portion of its Contract Quantity under its Power Supply Contract as a result of (i) insufficient demand by its retail customers, or (ii) a change in Law, the Project Participant may request that the Energy Supplier sell such portion of Base Energy or Assigned Energy as required under the Prepaid Energy Sales Agreement. Under the Prepaid Energy Sales Agreement, CCCFA arranges for sales through the Energy Supplier in accordance with the remarketing provisions and procedures set forth in that agreement. If the Energy Supplier successfully makes such a sale or sales, CCCFA must credit against the amount owed by the Project Participant to CCCFA the amount received from the Energy Supplier, such credit not to exceed the Contract Price for the Energy so sold. See "THE PREPAID ENERGY SALES AGREEMENT — *Energy Remarketing*".

Force Majeure

Except with regard to a party's obligation to make payments under the Power Supply Contract, neither party shall be liable to the other for failure to perform its obligations under the Power Supply Contract to the extent such failure was caused by an event of "*Force Majeure*" (as defined in APPENDIX B).

Default

Each of the following is a default under the Power Supply Contract:

(a) Any representation or warranty made by a party in the Power Supply Contract shall prove to have been incorrect in any material respect when made; and

(b) A party fails to perform, observe or comply with any covenant, agreement or term contained in the Power Supply Contract, and such failure continues for more than thirty days (in the case of the CCCFA) or more than fifteen days (in the case of the Project Participant) following the receipt of written notice thereof.

In addition, each of the following is a default by the Project Participant under the Power Supply Contract:

(a) Failure by the Project Participant to pay when due any amounts owed to CCCFA under the Power Supply Contract, subject to certain grace periods; and

(b) The insolvency or bankruptcy of the Project Participant.

Upon the occurrence of a default by the Project Participant described in (b) above, the Power Supply Contract will automatically terminate and all amounts due to the non-defaulting party will be immediately due and payable. Upon the occurrence of the other defaults described above, the non-defaulting party may terminate the Power Supply Contract and/or declare all amounts due to it to be immediately due and payable. During the existence of a default, the non-defaulting party may exercise all other rights and remedies available to it at law or in equity, including without limitation mandamus, injunction and action for specific performance, to enforce any covenant, agreement or term of the Power Supply Contract.

In addition to the remedies described above, during the existence of any default by the Project Participant, CCCFA may suspend its performance under the Power Supply Contract and discontinue the supply of all or any portion of the Energy otherwise to be delivered to the Project Participant under the Power Supply Contract.

If CCCFA exercises its right to discontinue Energy deliveries to the Project Participant, such service may only be reinstated, at a time determined by CCCFA, upon (a) payment in full by the Project Participant of all amounts then due and payable under its Power Supply Contract and (b) payment in advance by the Project Participant at the beginning of each month (for such time period as CCCFA deems appropriate) of amounts estimated by CCCFA to be due from the Project Participant for the future delivery of Energy for such month. If the Project Participant fails to accept the Energy tendered, CCCFA has the right to sell the Energy to third parties.

In the event of any default, the non-defaulting party may bring any suit, action, or proceeding at law or in equity, including without limitation mandamus, injunction, and action for specific performance.

Assignment

The provisions of the Power Supply Contract are binding on the successors and assigns of such contract. Neither party may assign the Power Supply Contract to another party without the prior written consent of the other party, except that CCCFA may assign its interests to secure its obligations under the Indenture. Prior to assigning all or any part of its interest in the Power Supply Contract, the Project Participant is required to deliver to CCCFA a Rating Confirmation from each rating agency then rating the Bonds. Any applicable Assignment Agreement will terminate concurrent with the assignment of the Power Supply Contract.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

General

CCCFA is a joint powers authority formed pursuant to the Act and the joint powers agreement ("the *JPA Agreement*") made among those public agencies which are its members. CCCFA was incorporated and organized in 2021. As of the date of this Official Statement the members of CCCFA are the Project Participant (Silicon Valley Clean Energy Authority), Central Coast Community Energy, East Bay Community Energy Authority, Marin Clean Energy, Pioneer Community Energy and Clean Power Alliance of Southern California (together with any additional members which may later be added as parties to the JPA Agreement, a "Member").

Each Member is a community choice aggregator, and a public agency as defined in the Act, which operates a community choice aggregation program with the authority to group retail electricity customers to solicit bids, broker, and contract for electricity and energy services for those customers, and to enter into agreements for services to facilitate the sale and purchase of electricity and other related services, and to study, promote, develop, conduct, operate and manage energy-related programs.

CCCFA was formed for, among other purposes, the purpose of financing energy prepayments which can be financed with tax advantaged bonds for the benefit of its Members.

Powers and Authority

Under the provisions of the Act, CCCFA has all of the powers common to the Members, and any and all power in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations, including: (i) the purchase and sale of electric energy and associated capacity and environmental attributes, (ii) the design, acquisition, maintenance, or operation of any Public Capital Improvement (as defined in the Act) or other facility or improvement, or the leasing thereof, (iii) the provision of working capital, and (iv) any other project, program, public capital improvement or purpose authorized by the Act or other law to be undertaken, financed, or refinanced by CCCFA, in connection with the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds and other obligations (a "*Prepayment Project*"). CCCFA shall have the power to issue, incur, sell and deliver bonds in accordance with the provisions of the Act and other applicable laws for the purpose of acquiring, undertaking, financing, or refinancing one or more Prepayment Projects.

Under the provisions of the JPA Agreement and the Act, CCCFA has (among others) the following powers:

(a) to acquire, purchase, finance, operate, maintain, utilize and/or dispose of one or more Prepayment Projects and any facilities, programs or other authorized costs relating thereto;

(b) to make and enter contracts (including without limitation interest rate, commodity, basis and similar hedging contracts intended to hedge payment, rate, cost or similar exposure);

(c) to employ agents and employees;

(d) to acquire, manage, maintain or operate any building, works or improvements;

(e) to acquire, hold, lease or dispose of property;

(f) to incur debts (including without limitation through the issuance or incurrence of bonds), liabilities or obligations (which shall not constitute debts, liabilities, or obligations of any of the Members);

(g) to sue and be sued in its own name;

(h) to receive gifts, contributions and donations of real or personal property, funds, services and other forms of assistance from any source;

(i) to receive, collect, invest and disburse moneys;

(j) to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

(k) to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy-related programs;

(l) to defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions; and

(m) to exercise any other power and take any other action permitted by law to accomplish the purposes of the JPA Agreement.

The JPA Agreement shall continue in full force and effect until terminated as provided in therein; *provided*, *however*, the JPA Agreement cannot be terminated while either (a) any bonds of CCCFA, including the Bonds, remain outstanding, or (b) CCCFA is the owner, lessor or lessee of any real or personal property financed from the proceeds of any bonds.

Governance and Management

Board of Directors. CCCF is governed by a Board of Directors (the "*Board*") consisting of one director for each Founding Member. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CCCFA. The Board may appoint a part-time or full-time General Manager and may appoint one or more part-time or full-time Assistant General Managers. The General Manager would be responsible for the day-to-day operation and management of CCCFA. The names of the current directors of CCCFA are listed on the roster page at the front of this Official Statement.

Management. The Board has not appointed a General Manager or Assistant General Manager. CCCFA's current management team consists of Garth Salisbury as Treasurer/Controller and David Ruderman of Colantuono, Highsmith & Whatley, PC as General Counsel.

Other CCCFA Projects

CCCFA previously issued its bonds (a) on September 23, 2021 to purchase prepaid electricity from MSES which is delivered to its Members, East Bay Community Energy and Silicon Valley Clean Energy, (b) on November 24, 2021 to purchase prepaid electricity from Aron Energy Prepay 5 LLC, which is delivered to its Member, Marin Clean Energy, (c) on July 12, 2022 to purchase prepaid electricity from MSES, which is delivered to its Member, East Bay Community Energy, (d) on January 4, 2023 to purchase prepaid electricity from Aron Energy Prepay 15 LLC, which is delivered to its Member, Pioneer Community Energy, (e) on January 27, 2023 to purchase prepaid electricity from MSES, which is delivered to its Member, Silicon Valley Clean Energy (f) on February 23, 2023 to purchase prepaid electricity from Aron Energy Prepay 14 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, (g) on June 15, 2023 to purchase prepaid electricity from Aron Energy Prepay 16 LLC, which is delivered to its Member, Clean Power Alliance of Southern California, and (f) on August 9, 2023 to purchase prepaid electricity from MSES, which is delivered to its Member, East Bay Community Energy. Each series of bonds is secured by a separate bond indenture.

CCCFA may issue future bonds to purchase prepaid electricity supplies for sale to participating municipal utilities, with the revenues from such sales pledged to the payment of such bonds. Such revenues will not be pledged, nor may such revenues be used, to pay amounts due with respect to the Bonds.

In furtherance of its corporate and public purposes, CCCFA intends to acquire and finance supplies of electricity on a prepaid basis for sale to other community choice aggregators. CCCFA is currently developing additional Clean Energy Projects under transaction and financing structures that are expected to be generally similar to the structure of the Clean Energy Project. CCCFA can give no assurance as to the timing or terms of these projects or that they will be completed. A range of factors that are outside of the control of CCCFA, including the final negotiation of transaction documents, the approval of commodity supply contracts by the prospective project participants, changes in market prices and rates, the receipt of bond ratings, and other factors could result in these transactions not being completed.

Any additional Clean Energy Projects that may be undertaken by CCCFA will be separate and distinct transactions, and the bonds issued to finance these projects will be payable solely from the commodity sales and other revenues pledged for their payment. In no event will the Revenues and Trust Estate pledged to the payment of the Bonds be used to pay any other bonds of CCCFA.

Separate Obligations

THE BONDS, PREVIOUS BONDS ISSUED BY CCCFA, ANY FUTURE BONDS THAT MAY BE ISSUED BY CCCFA AND ANY FUTURE CONTRACTS THAT CCCFA MAY ENTER INTO TO ACQUIRE ADDITIONAL ENERGY OR ELECTRICITY ARE AND WILL BE SEPARATE AND DISTINCT OBLIGATIONS OF CCCFA. ANY FUTURE BONDS OR CONTRACTS WILL NOT BE SECURED BY OR PAYABLE FROM THE REVENUES PLEDGED BY THE INDENTURE TO THE PAYMENT OF THE BONDS, AND THE BONDS WILL NOT BE SECURED BY OR PAYABLE FROM THE REVENUES DERIVED FROM ANY FUTURE PROJECT, CLEAN ENERGY PROJECT OR CONTRACT OF CCCFA.

Limited Liability

CCCFA DOES NOT HAVE THE POWER TO LEVY AD VALOREM PROPERTY TAXES. ALL BONDS ISSUED BY CCCFA ARE PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM ITS ACTIVITIES PURSUANT TO ITS STATUTORY PURPOSES AND POWERS AND IN ACCORDANCE WITH THE APPLICABLE FINANCING DOCUMENTS. THE BONDS ARE PAYABLE SOLELY FROM AND SECURED SOLELY BY THE TRUST ESTATE PLEDGED PURSUANT TO THE INDENTURE.

COMMUNITY CHOICE AGGREGATORS

General

The Project Participant is a "community choice aggregator" pursuant to Section 331.1 of the Public Utilities Code (a "*CCA*"). See APPENDIX A for information with respect to the Project Participant.

Establishment of Community Choice Aggregators

A CCA may be established by any city, county, or city and county whose governing board elects to combine the loads of its residents, businesses, and municipal facilities in a community-wide Energy buyers' program, and by any group of cities, counties, or cities and counties whose governing boards have elected to combine the loads of their programs, through the formation of a joint powers agency established under Joint Powers Act, provided in either case that the entity is not within the jurisdiction of a local publicly owned electric utility that provided electrical service as of January 1, 2003. "Local publicly owned electric utility" means a municipality or municipal corporation operating as a "public utility" and certain municipal utility districts, public utility districts, irrigation districts, or joint powers authorities that include one or more of these agencies and that owns generation or transmission facilities or furnishes electric services over its own or its members' electric distribution systems.

Community Choice Service Model

Once a community forms or joins a CCA, the CCA is the default energy provider in that community. The CCA procures energy for customers in that community, but the investor-owned utility for that community continues to provide transmission, distribution and billing services to customers. Revenues from the sale of energy by the CCA are delivered by the investor-owned utility to the CCA as they are received over the course of the billing period.

Service Contract Requirements and Registration with the Public Utilities Commission

CCAs are required to have an operating service agreement with the applicable investor-owned utility prior to furnishing electric service to consumers within its jurisdiction. The service agreement must include performance standards that govern the business and operational relationship between the CCA and the investor-owned utility. CCAs are also required to register with the California Public Utilities Commission (the "*PUC*"), which may require additional information to ensure compliance with basic consumer protection rules and other procedural matters. Once notified of a CCA program, the applicable investor-owned utility is required to transfer all applicable accounts to the CCA within a 30-day period from the date of the close of the utility's normally scheduled monthly metering and billing process.

Customer Participation and Opt-out Rights

Participation in a CCA is voluntary. Each local government seeking to form or join a CCA must adopt an appropriate authorizing resolution or ordinance. When a community forms or joins a CCA, customers are given advance notice and have the choice to opt-out of the CCA program prior to or after transition to the CCA, and instead receive Energy from the applicable investor-owned utility. Customers that do not opt-out are automatically enrolled in the program.

Regulatory Compliance

CCAs are "load-serving entities" and as such are required to comply with the renewable portfolio standards and reliability standards established by the PUC and the California Energy Commission (the "*CEC*") and file integrated resource plans and other periodic reports with the PUC and the California Energy Commission.

Cost Recovery Related to Transfer of Customers to a CCA

Although investor-owned utilities do not purchase power for CCA customers, they continue to deliver the power. Investor-owned utilities also have the obligation to provide electric service to customers that opt out of CCA service as the "provider of last resort." In order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, the PUC has established a "power charge indifference adjustment" (the "*PCIA*") applicable to CCA customers. The PCIA is calculated by taking the difference between (i) the "actual portfolio cost" related to utility's power procurement (e.g., utility-owned generation and purchased power), and (ii) the "market value of the portfolio," which is measured by the Market Price Benchmark (the "*MPB*") and the megawatt hours of generation.

The MPB is based on a PUC approved methodology for calculating the current market cost of renewables and natural gas-fueled power. If the investor-owned utility's actual portfolio cost is above-market value, the departing load customers pay their share of the difference in the form of a PCIA based on their power consumption. The amount of the PCIA applicable to a CCA customer depends on when a customer left the investor-owned utility and what the investor-owned utility's portfolio was at the time. Each departing load customer pays the assigned "vintage PCIA." For example, a customer who departed in 2019 pays the "2019 vintage PCIA" which only includes the above market costs of pre-2020 vintage power procured by the investor-owned utility.

In addition to PCIA charges, CCA customers are required to pay certain other "non-bypassable departing load charges", including a nuclear decommissioning charge, a public purpose charge and a cost allocation charge to pay for new resources needed for ongoing system reliability.

THE COMMODITY SWAPS

CCCFA Commodity Swap

CCCFA has entered into the CCCFA Commodity Swap under which CCCFA will pay a floating Energy price at a specified pricing point and will receive a fixed Energy price for the notional quantities specified in the CCCFA Commodity Swap for each month of such term.

Under the CCCFA Commodity Swap, for each calendar month that the relevant floating price of Energy is greater than the fixed price specified in a CCCFA Commodity Swap, CCCFA will be obligated to pay to the Commodity Swap Counterparty an amount equal to (x) the difference between the floating price and the fixed price multiplied by (y) a notional quantity equal to the quantity of Prepaid Energy scheduled to be delivered during such month by the Energy Supplier under the Prepaid Energy Sales Agreement. If the fixed price specified in the CCCFA Commodity Swap is greater than the relevant floating price of Prepaid Energy for a month, the Commodity Swap Counterparty will be obligated to pay CCCFA an amount equal to (x) the difference between the fixed price and floating price multiplied by (y) a notional quantity equal to the quantity of Prepaid Energy scheduled to be delivered during such month by the Energy Supplier under the Prepaid Energy Sales Agreement. If the relevant floating price for a calendar month is equal to the specified fixed price, no payment will be owed by either party to the other under the CCCFA Commodity Swap.

MSES Commodity Swap

The Energy Supplier has entered into a comparable MSES Commodity Swap with the same Commodity Swap Counterparty under which the Energy Supplier pays a fixed Energy price and receives a floating Energy price for the same notional quantities at the same pricing points. The Energy Supplier's payment obligations to the Commodity Swap Counterparty under the MSES Commodity Swap will be guaranteed under the Morgan Stanley Commodity Swap Guarantee.

Form of Commodity Swaps and Term

The Commodity Swaps have been entered into as a confirmation under a 2002 ISDA Master Agreement with certain amendments and elections under the Master Agreement that have been agreed to by the parties. The Commodity Swaps have rolling two-month terms that renew automatically upon the payment due date of each monthly net settlement amount due thereunder through the term of the Delivery Period under the Prepaid Energy Sales Agreement unless an early termination date occurs under the Commodity Swaps.

Payment

For each month of scheduled deliveries and notional amounts, each party with a net obligation under a Commodity Swap (based on the relative values of the fixed price and relevant index prices) will pay that net obligation to the other party on the 25th day of the calendar month (or next Business Day) following the month to which the applicable day-ahead market prices relate.

Early Termination

General. Each of the Commodity Swaps will be subject to early termination under certain circumstances. This early termination can be triggered automatically or upon the election by the non-defaulting party or the non-affected party as described below. No settlement or other termination payment (other than previously accrued amounts) would be due to any party as a result of any early termination of either Commodity Swap, except that MSES agrees to pay a make-whole amount equal to the discounted present value of the fee the Commodity Swap Counterparty would have received for the remainder of the then-current Reset Period if the MSES Commodity Swap is terminated for certain reasons.

Automatic Termination of Both Commodity Swaps. The early termination of the Prepaid Energy Sales Agreement for any reason would result in the automatic termination of both the CCCFA Commodity Swap and the MSES Commodity Swap; provided that, in the case of certain events of default and termination events for which MSES is the defaulting party under the Prepaid Energy Sales Agreement, MSES, in addition to previously accrued unpaid amounts, shall owe the Commodity Swap Counterparty a make-whole amount equal to the discounted present value of the fee the Commodity Swap Counterparty would have received in the then-current Reset Period (a "*Termination Fee*").

Automatic Termination of the CCCFA Commodity Swap. MSES's delivery of notice designating an early termination date under the MSES Commodity Swap (which early termination date is at least one Business Day after such notice) results in the automatic termination of the CCCFA Commodity Swap.

Elective Termination of the CCCFA Commodity Swap. Each of the following events of default and termination events would provide the non-defaulting party or the non-affected party (or, in the case of tax

indemnification, the party required to make an additional payment or receive a reduced payment) the right to terminate the CCCFA Commodity Swap if it is not cured within the applicable cure period:

- the affected party's failure to pay amounts due to the other party under the CCCFA Commodity Swap (notwithstanding any payment from the Custodian to CCCFA under the MSES Custodial Agreement following the Commodity Swap Counterparty's failure to pay any amounts when due) if such party's failure is not remedied (a) in the case of CCCFA's failure to pay, on or before the 120th day after notice of such failure is given to CCCFA (*provided, however*, if CCCFA has rights to sell sufficient Put Receivables to avoid such payment failure and did not, for any reason, receive payment for sufficient Put Receivables to avoid such payment failure, then on the third Business Day after notice of such failure is given to CCCFA), and (b) in the case of the Commodity Swap Counterparty's failure to pay, on or before the third Business Day after notice of such failure is given to the Commodity Swap Counterparty;

- a representation made by the defaulting party proves to have been incorrect or misleading in any material respect;

- if a party becomes subject to certain insolvency events;

- if the defaulting party or its credit support provider participates in a merger or similar business combination (or, additionally, if such party is CCCFA, an entity such as an organization, board, commission, authority, agency or body succeeds to the principal functions of, or powers and duties granted to, CCCFA) and (a) the surviving entity does not assume the obligations of such party or its credit support provider under the CCCFA Commodity Swap, (b) the benefits of any credit support document fail to extend (without the consent of the other party) to the performance by such resulting, surviving, transferee or successor entity of its obligations under the CCCFA Commodity Swap, or (c) in the case of CCCFA, the Trust Estate is no longer available for the satisfaction of such surviving entity's obligations to the Commodity Swap Counterparty under the CCCFA Commodity Swap;

- if performance or receipt of performance of the CCCFA Commodity Swap becomes illegal for either party, such party would have the right to terminate the CCCFA Commodity Swap;

- if a party becomes (or parties become) obligated to pay additional tax indemnification amounts or will receive payments that are lessened by tax indemnification amounts because of changed laws or corporate changes, including by way of merger or similar business combination, to a party, the party or parties impacted by the need for such additional payments or the receipt of reduced payments will have the right to terminate the CCCFA Commodity Swap;

- if the affected party participates in a merger or similar business combination and the creditworthiness of the surviving entity is materially weaker than the original party;

- any reduction in the Commodity Swap Counterparty's Credit Rating below "Baa3" by Moody's or below "BBB-" by S&P, where *"Commodity Swap Counterparty's Credit*

Rating" means the credit rating assigned by the applicable rating agency to the Commodity Swap Counterparty's senior, unsecured long-term debt obligations (not supported by third party credit enhancements);

- if certain provisions of the Prepaid Energy Sales Agreement related to termination of the Prepaid Energy Sales Agreement or the Receivables Purchase Provisions are modified without the Commodity Swap Counterparty's consent;

- CCCFA fails to promptly exercise its right to suspend all energy deliveries under the Power Supply Contract to the Project Participant upon such Project Participant's failure to pay when due any amounts owed to CCCFA thereunder; and

- if the Indenture is modified in breach of the Commodity Swap Counterparty's consent rights under the Indenture and such breach is not cured within 10 days of the effective date thereof.

An event of default also exists for a party's failure to comply with or perform any agreement or obligation under the CCCFA Commodity Swap other than payment obligations, except that such event does not give the non-defaulting party the right to designate an early termination date pursuant to the CCCFA Commodity Swap or to assert a claim for monetary damages as a result of such event of default. Such an event of default permits the non-defaulting party to pursue such equitable remedies, including specific performance, as may be available to it.

Elective Termination of the MSES Commodity Swap. Each of the following events of default or termination events would provide the non-defaulting party or non-affected party (or, in the case of tax indemnification, the party required to make an additional payment or receive a reduced payment) the right to terminate the MSES Commodity Swap if it is not cured within the applicable cure period:

- the defaulting party's failure to pay amounts due to the other party under the MSES Commodity Swap if such failure is not remedied within three Business Days after notice of such failure is given to such party;

- the defaulting party's failure to comply with or perform any agreement or obligation under the MSES Commodity Swap other than payment obligations;

- if MSES, the Commodity Swap Counterparty or Morgan Stanley fails to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with the Credit Support Annex executed as part of the MSES Commodity Swap or the Morgan Stanley Commodity Swap Guarantee, as applicable (each of the Credit Support Annex and Morgan Stanley Commodity Swap Guarantee, a "*Credit Support Document*"), or the expiration or termination of a Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect (in either case other than in accordance with their terms) prior to the satisfaction of all obligations of such party under the MSES Commodity Swap without the written consent of the other party, or MSES, the Commodity Swap Counterparty or Morgan Stanley disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, any such Credit Support Document;

- a representation made by the defaulting party proves to have been incorrect or misleading in any material respect;

- subject to a threshold, any payment default or default which results in acceleration of indebtedness by the defaulting party on any indebtedness but (a) excluding with respect to Commodity Swap Counterparty deposits received in the ordinary course of banking business the repayment of which is being disputed in good faith or contested by governmental action, and (b) including MSES's obligations under the Receivables Purchase Provisions to purchase Put Receivables;

- if a party becomes subject to certain insolvency events;

- if the defaulting party participates in a merger or similar business combination and the resulting, surviving or transferee entity does not assume the obligations of such party or its credit support provider under the MSES Commodity Swap, or the benefits of a credit support document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under the MSES Commodity Swap;

- if performance or receipt of performance of the MSES Commodity Swap becomes illegal for either party, such party would have the right to terminate the MSES Commodity Swap;

- if a party becomes (or parties become) obligated to pay additional tax indemnification or will receive payments that are lessened by tax indemnification amounts because of changed laws or corporate changes, including by way of merger or similar business combination, to a party, the party or parties impacted by the need for such additional payments or the receipt of reduced payments will have the right to terminate the MSES Commodity Swap;

- if the affected party participates in a merger or similar business combination and the creditworthiness of the surviving entity is materially weaker than the creditworthiness of the original party;

- any reduction in the Commodity Swap Counterparty's Credit Rating below "Baa3" by Moody's or below "BBB-" by S&P, with "Commodity Swap Counterparty's Credit Rating" having the meaning described above under *"Elective Termination of the CCCFA Commodity Swap"*;

- if certain provisions of the Prepaid Energy Sales Agreement related to termination of the Prepaid Energy Sales Agreement or the Receivables Purchase Provisions are modified without the Commodity Swap Counterparty's consent, provided that, in such case MSES, in addition to previously accrued unpaid amounts, shall owe the Commodity Swap Counterparty a Termination Fee;

- MSES may at its election deliver a notice of termination designating an early termination date under the MSES Commodity Swap, subject to the condition that the CCCFA Commodity Swap must terminate effective as of the same date (provided that, if no other Event of Default or Termination Event has occurred with respect to the Commodity Swap

Counterparty, then MSES, in addition to previously accrued unpaid amounts, shall owe the Commodity Swap Counterparty a Termination Fee); and

- if the rights and obligations of MSES under the Prepaid Energy Sales Agreement are assigned to another entity and such entity's obligations under the Prepaid Energy Sales Agreement are not guaranteed by a Morgan Stanley guarantee, unless either (a) the Commodity Swap Counterparty consents to such assignment or (b) all of the Commodity Swap Counterparty's rights and obligations under the MSES Commodity Swap are assigned and novated to another entity pursuant to the MSES Commodity Swap; provided that, in the case of a termination due to an assignment that fails to comply with the foregoing requirements, MSES, in addition to previously accrued unpaid amounts, shall owe the Commodity Swap Counterparty a Termination Fee. See "THE PREPAID ENERGY SALES AGREEMENT—*Assignment*" above.

Custodial Agreements

The Energy Supplier will enter into a Custodial Agreement (the *"Energy Supplier Custodial Agreement"*), with the Commodity Swap Counterparty and The Bank of New York Mellon Trust Company, N.A., as Trustee and as custodian (in such capacity, the *"Custodian"*), to administer payments under the MSES Commodity Swaps. CCCFA will enter into a Custodial Agreement, dated as of the initial issue date of the Bonds (the *"CCCFA Custodial Agreement,"* and together with the Energy Supplier Custodial Agreement, the *"Custodial Agreements"*), with the Commodity Swap Counterparty, the Trustee and the Custodian, to administer payments under the CCCFA Commodity Swap. The Custodial Agreements contain provisions designed to mitigate risks to CCCFA and Bondholders resulting from a failure of the Commodity Swap Counterparty to make payments to CCCFA under the CCCFA Commodity Swap and mitigate risks to the Energy Supplier resulting from a failure of the Commodity Swap Counterparty to make payments to the Energy Supplier under the MSES Commodity Swap.

Payments made by the Energy Supplier under the MSES Commodity Swap will be made to a custodial account maintained by the Custodian under the Energy Supplier Custodial Agreement. Such amounts will not be released until the Custodian has confirmed that the amount payable to CCCFA by the Commodity Swap Counterparty under the CCCFA Commodity Swap for such month has been paid. If the Commodity Swap Counterparty does not make a required payment under the CCCFA Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian will pay the amount that the Energy Supplier paid under the MSES Commodity Swap (which amount is held in custody) to the Trustee for deposit in the Revenue Fund and that payment will be treated as a Commodity Swap Receipt. Additionally, if the MSES Commodity Swap terminates, the Energy Supplier will continue to make payments to the custodial account as if such MSES Commodity Swap were still in effect until the earlier of (i) replacement of the Commodity Swaps in accordance with the requirements of the Prepaid Energy Sales Agreement and (ii) termination of the Prepaid Energy Sales Agreement, and such payments will be used to ensure that CCCFA receives deposits in the Revenue Fund as described in the preceding sentence in the event that the Commodity Swap Counterparty does not make a required payment under the CCCFA Commodity Swap.

Payments made by CCCFA under the CCCFA Commodity Swap will be made to a custodial account maintained by the Custodian under the CCCFA Custodial Agreement. Such amounts will not be released until the Custodian has received confirmation that the amount payable to the Energy Supplier by the Commodity Swap Counterparty under the MSES Commodity Swap for such month has been paid. If

the Commodity Swap Counterparty does not make a required payment under the MSES Commodity Swap and such payment remains unpaid after the expiration of any grace period, the Custodian will pay the amount that CCCFA paid under the CCCFA Commodity Swap (which such amount is held in custody) to the Energy Supplier. Additionally, if the CCCFA Commodity Swap terminates, CCCFA will continue to make payments to the custodial account as if the CCCFA Commodity Swap were still in effect until the earlier of (i) replacement of the Commodity Swaps in accordance with the requirements of the Prepaid Energy Sales Agreement and (ii) termination of the Prepaid Energy Sales Agreement, and such payments will be withdrawn by the Custodian and paid to the Energy Supplier.

THE COMMODITY SWAP COUNTERPARTY

Set forth below is certain information regarding the Commodity Swap Counterparty. CCCFA assumes no responsibility for such information and cannot guarantee the accuracy thereof. Under no circumstance is the Commodity Swap Counterparty obligated to pay any amount owed in respect of the Bonds.

The Commodity Swap Counterparty is Natixis, a bank and joint stock company with a Board of Directors duly organized and existing under the laws of France, with its registered office at 7, promenade Germaine Sablon, 75013 Paris, France. As of the date of this Official Statement, Natixis has a long-term issuer credit ratings of "A" (stable) from Standard & Poor's, "A1" (stable) from Moody's and "A+" (negative) from Fitch.

The foregoing information regarding the Commodity Swap Counterparty has been obtained from sources CCCFA believes to be reliable, but CCCFA assumes no responsibility for the content thereof.

CONTINUING DISCLOSURE

CCCFA. CCCFA will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the MSRB's EMMA system for municipal securities disclosures ("*EMMA*"), pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (*"Rule 15c2-12"*) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by CCCFA to comply with the Undertaking will not constitute an event of default under the Indenture or the Bonds and Beneficial Owners of the Bonds shall only be entitled to the remedies for any such failure described in the Undertaking. A failure by CCCFA to comply with the Undertaking must be reported in accordance with Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Undertaking and commitments of CCCFA described under this heading and in APPENDIX D hereto to furnish the above-described documents and information are agreements and commitments solely of CCCFA, and the Underwriter has no responsibility to ensure that CCCFA complies with any such Undertaking or commitment. In addition, the Underwriter makes no representation that any such documents or information will be furnished, or that any such documents or information so furnished will be accurate or complete, or sufficient for the purposes for which they may be used.

CCCFA has previously entered into continuing disclosure undertakings pursuant to Rule 15c2-12. CCCFA has adopted a written policy that sets forth procedures for compliance with the federal tax and continuing disclosure requirements applicable to its bonds. The policy includes, among other things, procedures that are intended to promote CCCFA's compliance with the Undertaking.

During the five-year period preceding the date of this Official Statement, CCCFA has determined that certain financial information relating to the Project Participant for its fiscal year ending June 30, 2021 was filed late. CCCFA subsequently filed such information on the Municipal Securities Rulemaking Board Electronic Municipal Market Access System. CCCFA has engaged BLX Group to assist with its continuing disclosure obligations.

Project Participant. Pursuant to the Power Supply Contract, the Project Participant has agreed to provide to CCCFA certain annual operating and financial information, which information will enable CCCFA to comply with the Undertaking. Failure of the Project Participant to provide such information is not a default under its Power Supply Contract, but any such failure entitles CCCFA to take such actions and to initiate such proceedings as shall be necessary to cause the Project Participant to comply with its undertaking as set forth in its Power Supply Contract.

LITIGATION

There are no legal proceedings pending against CCCFA relating to the issuance, sale or delivery of the Bonds which could adversely affect the Clean Energy Project. In addition, there is no litigation pending or, to the knowledge of CCCFA, threatened against or affecting CCCFA or in any way questioning or in any manner affecting the validity or enforceability against CCCFA of the Bonds, the Power Supply Contract, the Prepaid Energy Sales Agreement, the CCCFA Commodity Swap, the Receivables Purchase

Provisions, the Debt Service Account Investment Agreement, the Custodial Agreements, the Indenture, or the pledge of the Trust Estate under the Indenture.

The Project Participant reports that there is no litigation pending or, to its knowledge, threatened against it questioning or in any manner affecting the validity or enforceability of the Power Supply Contract.

FINANCIAL STATEMENTS

CCCFA's audited financial statements for the fiscal year ended December 31, 2022 are available on EMMA, and are hereby incorporated into this Official Statement.

Pursuant to the Undertaking described under "CONTINUING DISCLOSURE" above, CCCFA has agreed to file its audited financial statements and the audited financial statements of the Project Participant, commencing with its audited financial statements for its fiscal year ended December 31, 2023 and the Project Participant's audited financial statements for its fiscal year ended September 30, 2023, on the EMMA.

FINANCIAL ADVISOR

PFM Financial Advisors LLC (the *"Financial Advisor"*) has served as financial advisor to CCCFA in connection with the Clean Energy Project and the Bonds. Among other responsibilities, the Financial Advisor has provided advice and recommendations to CCCFA with respect to the structure, timing, terms of and similar matters relating to the Bonds, bond market conditions, costs of issuance and other matters relating to the Bonds and the Clean Energy Project. The Financial Advisor has also provided advice and recommendations to CCCFA, and has served as CCCFA's "qualified independent representative," with respect to the CCCFA Commodity Swap and the Interest Rate Swap. The Financial Advisor has reviewed this Official Statement, but has not audited, authenticated or otherwise verified the information set forth herein, and makes no guaranty, warranty or representation with respect to the accuracy and completeness of the information contained in this Official Statement. The Financial Advisor's fees are contingent upon the sale and delivery of the Bonds, and are based, in part, on the proceeds of the Bonds.

UNDERWRITING

Pursuant to the purchase contract relating to the Bonds between CCCFA and Morgan Stanley & Co. LLC, as the underwriter of the Bonds (the *"Underwriter"*), the Underwriter has agreed, subject to certain conditions to purchase the Bonds from CCCFA at an aggregate purchase price of $_____ (representing the principal amount of the Bonds, plus original issue premium of $_____, less Underwriter's discount of $_____). The obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions set forth in the purchase contract. The Underwriter is obligated to purchase all the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than the initial offering prices, and such initial offering prices may be changed from time to time by the Underwriter. The Underwriter has no obligations other than those that are set forth in the purchase contract. The payment of the Bonds is not guaranteed by the Underwriter.

Morgan Stanley & Co. LLC has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan

Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Morgan Stanley & Co. LLC (together with its affiliates) is a full service financial institution engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Morgan Stanley & Co. LLC and its affiliates have provided, and may in the future provide, a variety of these services to CCCFA and to persons and entities with relationships with CCCFA, for which they received or will receive customary fees and expenses.

In the ordinary course of its various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own accounts and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of CCCFA (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with CCCFA. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriter is not acting as financial advisor to CCCFA in connection with the Bonds or the offering or sale of the Bonds.

CERTAIN RELATIONSHIPS

The Energy Supplier, which is also the Receivable Purchaser, the Interest Rate Swap Counterparty and a party to the MSES Commodity Swap is a wholly owned indirect subsidiary of Morgan Stanley. The payment obligations of the Energy Supplier under the Prepaid Energy Sales Agreement, the MSES Commodity Swap and the Interest Rate Swap are unconditionally guaranteed by Morgan Stanley under the Morgan Stanley Guarantees. The Underwriter of the Bonds, Morgan Stanley & Co. LLC, is also a wholly owned subsidiary of Morgan Stanley.

Neither the Energy Supplier nor Morgan Stanley has guaranteed or is responsible for the payment of the Bonds. The obligations of the Energy Supplier and, by virtue of the Morgan Stanley Guarantees, Morgan Stanley are limited to those set forth in the Prepaid Energy Sales Agreement, the MSES Commodity Swap, the Interest Rate Swap and the Debt Service Account Investment Agreement (if the Energy Supplier or an affiliate is the Investment Agreement Provider). Neither the Energy Supplier nor Morgan Stanley takes any responsibility for the information set forth in this Official Statement other than the information relating to the Morgan Stanley Guarantees set forth under the captions "INTRODUCTION—*Morgan Stanley Guarantees*", "THE PREPAID ENERGY SALES AGREEMENT—*Security*", "THE INTEREST RATE SWAP—*Morgan Stanley Guarantee*" and "THE COMMODITY SWAPS—*The MSES Commodity Swap*" and under the heading "THE ENERGY SUPPLIER AND MORGAN STANLEY".

RATING

Moody's Investors Service, Inc. assigned a municipal bond rating of "A1" to the Bonds.

CCCFA has furnished to each rating agency that is expected to rate the Bonds certain information, including information not included in this Official Statement, about CCCFA and the Bonds. Generally, a rating agency bases its ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating, once obtained, will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the opinion of the rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the marketability or market price of the Bonds. CCCFA has not undertaken any responsibility after issuance of the Bonds to assure the maintenance of the ratings applicable thereto or to oppose any revision or withdrawal of such ratings.

TAX MATTERS

In the opinion of Ballard Spahr LLP, Bond Counsel to CCCFA, interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of CCCFA and continuing compliance by CCCFA with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the "adjusted financial statement income" (as defined in Section 56A of the Code) for purposes of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022.

The Code contains a number of restrictions and requirements that apply to the Bonds, including, without limitations, (i) investment restrictions, (ii) requirements for periodic payments of arbitrage profits to the United States, and (iii) rules regarding the proper use of the proceeds of the Bonds and the facilities to be financed or refinanced with such proceeds. CCCFA has covenanted to comply with all of the restrictions and requirements of the Code that must be satisfied in order for the interest on the Bonds to be and remain excludable from the gross income of the owners thereof for federal income tax purposes.

Original Issue Discount. Certain of the Bonds may be offered at a discount ("original issue discount") equal generally to the difference between the public offering price and the principal amount. For federal income tax purposes, original issue discount on a Bond accrues periodically over the term of such Bond as interest with the same tax exemption and alternative minimum tax status as stated interest. The accrual of original issue discount increases the bondholder's tax basis in the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Bondholders should consult their tax advisers for an explanation of the accrual rules.

Original Issue Premium. Certain of the Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Bond through reductions in the bondholder's tax basis for the Bond for determining taxable gain or loss upon sale or redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Bondholders should consult their tax advisers for an explanation of the amortization rules.

Information Reporting and Backup Withholding. A person making payments of tax-exempt interest to a bondholder is generally required to make an information report of the payments to the Internal Revenue Service and to perform "backup withholding" from the interest if the bondholder does not provide

an IRS Form W-9 to the payor. "Backup withholding" means that the payor withholds tax from the interest payments at the backup withholding rate, currently 24%. Form W-9 sets forth the bondholder's taxpayer identification number or basis of exemption from backup withholding.

If a bondholder purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the account, as generally can be expected, there should be no backup withholding from the interest on the Bond.

If backup withholding occurs, it does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the bondholder's federal income tax once the required information is furnished to the Internal Revenue Service.

Bond Counsel expresses no opinion regarding any other federal tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel will express no opinion regarding other state or local tax consequences arising with respect to the Bonds, including whether interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the State of California.

These opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel will not express any opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

The foregoing is only a general summary of certain provisions of the Code as enacted and in effect on the date hereof and does not purport to be complete; holders of the Bonds should consult their own tax advisors as to the effects, if any, of the Code in their particular circumstances.

A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX E hereto.

APPROVAL OF LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Ballard Spahr LLP, Bond Counsel to CCCFA. A complete copy of the proposed form of the opinion of Bond Counsel is contained in APPENDIX E to this Official Statement.

Certain legal matters will be passed upon for CCCFA by Ballard Spahr LLP; for the Project Participant by Chapman and Cutler LLP; for the Energy Supplier by its counsel, Sheppard, Mullin, Richter & Hampton LLP; and for the Underwriter by Nixon Peabody LLP.

CCCFA will receive an opinion from counsel to the Project Participant on the date of original delivery of the Bonds, to the effect that the Power Supply Contract of the Project Participant has been duly authorized, executed and delivered by the Project Participant and constitutes the legal, valid and binding obligation of the Project Participant enforceable in accordance with its terms. The enforceability of the Power Supply Contract may be limited by or subject to applicable bankruptcy, insolvency, moratorium,

reorganization, other laws affecting creditors' rights generally and by general principles of equity, public policy and commercial reasonableness.

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, estimates or forecasts, whether or not expressly so stated, are intended as such and not as representations of fact. The Appendices attached hereto are an integral part of this Official Statement and must be read in conjunction with the foregoing material. This Official Statement is not to be construed as a contract or agreement between CCCFA and the purchasers or owners of the Bonds.

The delivery of this Official Statement has been duly authorized by the Board of Directors of CCCFA.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By: _____
Chair

APPENDIX A

THE PROJECT PARTICIPANT

APPENDIX A

THE PROJECT PARTICIPANT

SILICON VALLEY CLEAN ENERGY

General

Silicon Valley Clean Energy ("*SVCE*") is a joint powers authority organized and existing pursuant to the Joint Exercise of Powers Act (constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500), as amended or supplemented from time to time) (the "*Joint Powers Act*"), as a "community choice aggregator" ("*CCA*") as defined in Section 331.1 of the Public Utilities Code of the State of California, as amended (the "*Public Utilities Code*"). For a general description of CCAs in California, see the section "COMMUNITY CHOICE AGGREGATORS" in this Official Statement.

SVCE was created in 2016 under the name "Silicon Valley Clean Energy Authority" as a CCA in California pursuant to a Joint Powers Agreement, as amended, by and among the cities and towns participating in SVCE and named therein. SVCE began providing service to customers in 2017.

Originally created to serve communities in Santa Clara County, SVCE now serves 13 member communities. SVCE offers carbon-free power at stable rates, significantly reducing energy-related greenhouse emissions and enabling millions of dollars of reinvestment in local energy programs. SVCE's mission is to drive increasing access to clean energy, serving the needs of our customers and the well-being of our community by delivering positive environmental impacts and local economic benefits.

Formation and History of SVCE

General. SVCE was formed in March 2016 as a "joint powers authority" to provide electric power and related benefits within its service area, including developing a wide range of renewable energy sources and local clean energy programs. The formation of SVCE was made possible by the passage of California Assembly Bill 117 in 2002, enabling communities to purchase power on behalf of their residents and businesses and creating competition in the electric power market. Under California Public Utilities Commission designations, SVCE (like other CCAs) is a "load-serving entity" to the communities it serves and does not provide transmission, distribution or billing services. Transmission, distribution, and billing services are provided by Pacific Gas and Electric Company ("*PG&E*"). PG&E collects and remits SVCE's billings for electricity to SVCE on a daily basis.

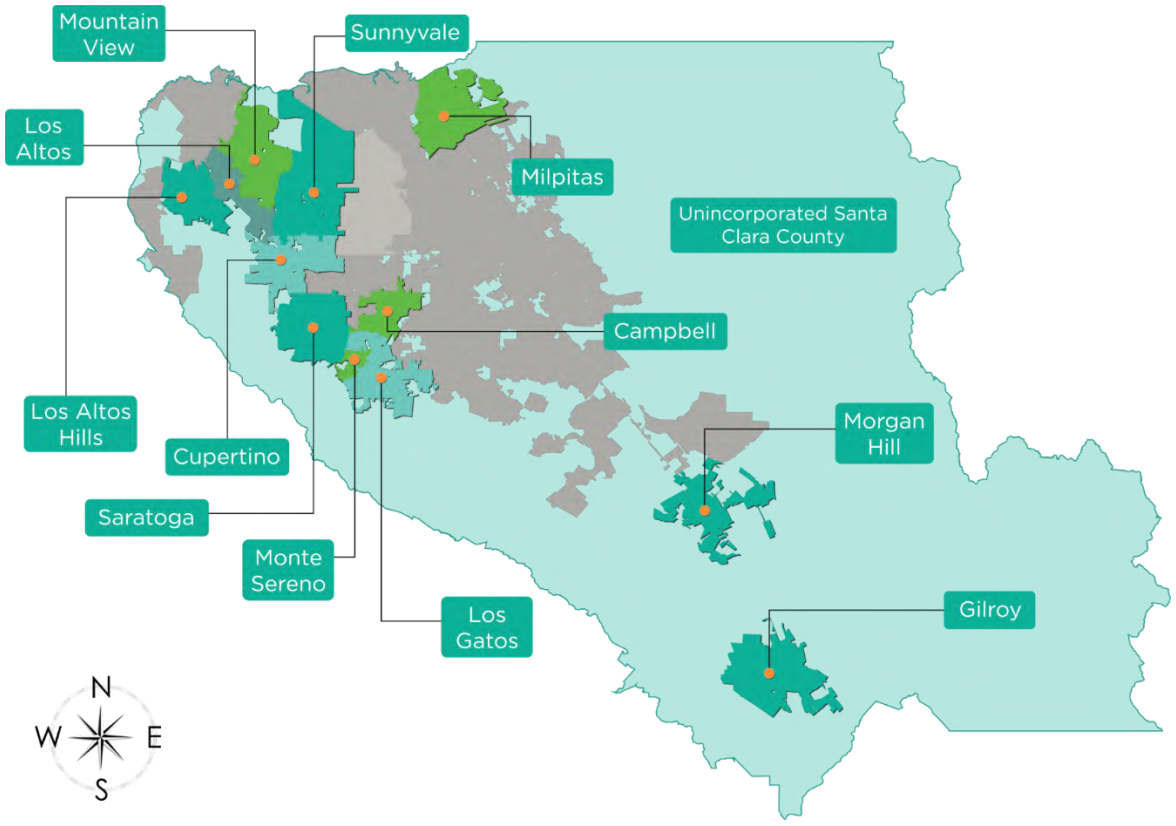
Commencement of Service and Expansion. SVCE began serving customers in communities in Santa Clara County in 2017, with the exceptions of the City of Santa Clara and City of Palo Alto, each having its own municipal utility, and the City of San Jose, which established its own CCA. In December 2017, the Board of Directors accepted the City of Milpitas as a new community member and began providing service to them in June 2018. As further described below, SVCE now serves 13 communities.

Service Area

Communities Served by SVCE. SVCE currently serves 13 jurisdictions in Santa Clara County, as follows:

City of Campbell	City of Cupertino	City of Gilroy
City of Los Altos	Town of Los Altos Hills	Town of Los Gatos
City of Milpitas	City of Monte Sereno	City of Morgan Hill
City of Mountain View	City of Saratoga	City of Sunnyvale
Unincorporated County of Santa Clara		

Service Area Map. The service area of SVCE is shown on the map below:



Governance and Management

Board of Directors. SVCE is governed by its Board of Directors. Each community that has elected to join SVCE appoints a representative to the Board of Directors. Members of the Board of Directors serve at the pleasure of their respective communities. Meetings of the full Board of Directors are scheduled every month. There is also an Executive Committee, a Finance and Administration Committee, an Audit Committee, and an Ad Hoc Regulatory and Legislative Committee, with members appointed by the Board of Directors that review and report to the Board on various matters.

Management.

Girish Balachandran, Chief Executive Officer*:* As the Chief Executive Officer of Silicon Valley Clean Energy (SVCE), Girish Balachandran works with the elected Board to develop and implement strategies empowering the SVCE team and community to achieve its ambitious decarbonization goals. He leads the passionate employees of SVCE as they creatively solve challenges to bend the carbon curve downward in the electric supply, built environment, and transportation sectors. Girish has more than 30 years of experience in California utilities, including serving as the General Manager of Riverside Public Utilities (RPU) and Alameda Municipal Power (AMP) and as an Assistant General Manager for the City of Palo Alto Utilities. His professional education includes a Master's degree in Electrical Engineering from UCLA and a Bachelor's degree in Electrical Engineering from Anna University in India.

Amrit Singh, Chief Financial Officer and Director of Administrative Services: As the Chief Financial Officer, Amrit oversees and leads the finance, information technology and human resources activities of SVCE. Amrit brings over two decades of experience in the California Energy Markets with extensive experience in managing risks of complex energy procurement portfolios as well as in energy regulation, rate design, and commodity portfolio management. Amrit's prior experiences include serving as Pacific Gas and Electric Company's Senior Director, Market and Credit Risk Management and Senior Director, Revenue Requirements and Rates. Amrit also worked at startup companies and provided strategic consulting in areas of risk management and utility operations. Amrit has an MBA from the University of California, Berkeley, and a BS in Managerial Economics from the University of California, Davis.

Monica Padilla, Chief Operating Officer and Director of Power Resources. As the Chief Operating Officer and Director of Power Resources, Monica leads a team responsible for planning and carrying out the various energy and capacity procurement, management, and reporting needs consistent with SVCE's aggressive greenhouse gas reduction policies, portfolio cost and risk management objectives and California's legislative and regulatory requirements. Since joining SVCE in 2018, Monica and her group have negotiated and executed over three billion dollars in long-term power purchase agreements for renewable resources, including eight solar plus storage contracts and several other contracts for geothermal, wind, solar, standalone storage, and a thermal plus storage resource. Monica also led the effort on behalf of SVCE and seven other CCAs to acquire long-duration storage to help with the integration of intermittent resources and in support of the California grid. Prior to joining SVCE, Monica worked for the City of Palo Alto Utilities for over 30 years. Monica was instrumental in developing and implementing Palo Alto's Carbon Neutral Plan in 2013, the first carbon-neutral policy adopted for a municipal utility in California. Monica also represented Palo Alto at several joint action agencies, including the Northern California Power Agency and the Transmission Agency of Northern California and oversaw the contract with Palo Alto's largest supplier – Western Area Power Administration. Monica holds a B.S. in Business from California State University East Bay.

Don Bray, Director of Strategic Development. Don has worked with SVCE since its inception. He is focused on strategic initiatives involving the development of new customer offerings, marketplace partnerships, and operational capabilities. Previously, Don worked as SCVE's Director of Energy Services and Community Relations, responsible for leading customer

engagement activities with major commercial and industrial accounts, customer service operations, rates, program deployment, marketing and communications. Prior to SCVE, Don served as Executive Director of Joint Venture Silicon Valley's Smart Energy Enterprise Development Initiative (SEEDZ), involving a regional coalition of leading business, governmental, institutional and utility stakeholders focused on advancing energy system performance and sustainability in Silicon Valley. Don's private sector background includes 22 years with Accenture. As a Managing Partner, he was instrumental in building and leading the firm's business systems integration consulting practice in Silicon Valley. He also co-founded and led AltaTerra Research, a market research and consulting firm focused on clean technology solutions for the enterprise marketplace. Within the community, Don helped define and launch the Bay Area Climate Collaborative, a region-wide public-private partnership addressing regional sustainability goals. In his hometown of Los Altos, California, he served for 10 years on the City's Environmental Commission, including as Chair and Vice-Chair. Don received a Master's Degree in Engineering Management from Stanford University, and Bachelor's Degree in Civil and Environmental Engineering from the University of California at Davis.

Adam Selvin, Director of Energy Services and Community Relations: As Director of Energy Services and Community Relations, Adam leads a team responsible for marketing, communications, electricity services, and customer relations strategic planning and implementation. Adam brings more than 20 years of energy industry experience, including all aspects of demand-side management services for commercial and industrial (C&I) customers, utility performance, and customer experience improvements. Prior to joining Silicon Valley Clean Energy, Adam led CLEAResult's Commercial and Industrial practice and held a variety of roles with Pacific Gas & Electric Co. Adam has a Master of Business Administration from University of California Berkeley's Haas School of Business and a Bachelor of Science in Mechanical Engineering from San Francisco State University. He is also a Professional Mechanical Engineer (PE) and Certified Energy Manager (CEM).

Justin Zagunis, Director of Decarbonization Programs and Policy: Justin serves as the head of the Department of Decarbonization Programs and Policy, where he collaborates with a dedicated team to strategize and create a comprehensive platform and assortment of initiatives aimed at advancing SVCE's mission of achieving substantial decarbonization. His leadership is instrumental in the development, implementation, and assessment of cutting-edge programs and technologies within the spheres of mobility, urban infrastructure, and grid integration and innovation. Before joining SVCE, Justin made significant contributions during his tenure at the City of Palo Alto Utilities, specializing in the design, management, and evaluation of demand-side management programs. He holds a bachelor's degree in environmental engineering from California Polytechnic State University and a master's degree in civil and environmental engineering from Stanford University.

Bena Chang, Director of Government and Legislative Affairs: Bena Chang serves as the Director of Government and Legislative Affairs, where she focuses on legislative initiatives and coalition building. Prior to her role at SVCE, Bena held the position of Intergovernmental Relations Director for the City of San Jose, one of the largest cities in the United States, where she advocated for a wide range of municipal policy issues at regional, state, and federal levels, encompassing topics such as homelessness, pandemic response, and clean energy. Additionally,

Bena was the Senior Vice President of Transportation, Housing, and Health at the Silicon Valley Leadership Group, where she played a pivotal role in various projects and programs, including a successful 2008 Measure B campaign to secure operational funding for BART in Silicon Valley. Bena holds a degree in English with a minor in Astronomy from Wellesley College.

Gia Ilole, Director of Human Resources: As Director of Human Resources, Gia leads all the people and culture strategies and functions to recruit, retain, engage, and develop the best workforce to support SVCE's programs and operations. Gia has a breadth and depth of experience in HR across public and private agencies, including leading HR, Labor, and Administration at BART, developing diversity pipeline and workforce programs at PG&E, as well as heading up HR for the County of Ventura's District Attorney and a Bay Area start-up. Gia is certified as a Senior Professional in Human Resources as well as a Strategic HR Business Partner. Gia attended UC Santa Barbara on an academic scholarship and graduated with Highest Honors in three years with a Bachelor of Arts in Linguistics, minoring in French.

Customers

General. SVCE provides energy to more than 270,000 residential, commercial, and industrial accounts, serving approximately 700,000 residents and businesses in its service area. The current mix of SVCE's customer base is approximately 36% residential and 64% commercial/industrial by the percentage of load served and 35% residential and 65% commercial/industrial by the percentage of revenue. SVCE's 10 largest customers represent 17.6% of SVCE's overall load, and none of them individually represent more than 3-4% of the overall load.

Customer Energy Choices. SVCE offers two different energy service choices, called GreenStart and GreenPrime. In 2022, customers receiving GreenStart service are provided with a minimum of 45% renewable energy, sourced from a mix of wind, geothermal, solar, small hydro, and biomass/biowaste, with 31% coming from large hydroelectric facilities, and the final 24% from nuclear power. Customers electing to receive GreenPrime service are provided with 100% renewable energy from solar sources.

Customer Enrollment. All customers are automatically enrolled in GreenStart and may change their product after enrollment. Approximately 98.8% of SVCE customers receive GreenStart service, with the remaining approximately 1.2% receiving GreenPrime service. Due to commercial enrollments, GreenPrime customers represent a slightly higher percentage in terms of load (5%)..

New Customers. SVCE has fully subscribed the cities and unincorporated portions of Santa Clara County, with the exceptions of the cities of Santa Clara, San Jose, and Palo Alto, which are served by separate public power providers.

Customer Election to Opt-out of SVCE Service. Customers can opt-out of SVCE service and return to service from their traditional electric service provider, PG&E, either initially upon the transition to SVCE or at any time after SVCE becomes the energy provider. SVCE has not experienced a single customer opt-out that had a significant financial impact on SVCE's revenues.

Cumulative Opt-Out Rate and Customer Retention. Overall, opt-out rates have remained stable, declining from 4.5% to 3.5% for eligible customers since completing the final community enrollment in mid-2018. On an ongoing basis, most opt-outs occur during the 120-day transition period to SVCE service.

Service Rates

General. Rates for SVCE energy service are determined by its Board of Directors and are not regulated by the CPUC. In addition to SVCE's charges for energy, customers' rates include amounts for transmission and distribution of electricity established by PG&E, as well as a "power charge indifference adjustment" ("*PCIA*") and other non-by-passable load charges imposed by the CPUC in order to compensate investor-owned utilities for investments in power generation and long-term power purchase contracts associated with the loss of customers to CCAs, which in each case are passed through on a customer's bill in the amounts established or imposed.

Determination of Rates for Energy. The rates SVCE charges for GreenStart and GreenPrime services are based on the current generation rate charged by PG&E and the current PCIA fee. All value propositions are priced inclusive of the PCIA. GreenStart service is priced at 4% below the cost of PG&E, and GreenPrime is $.008 per kilowatt-hour in addition to the GreenStart rate.

Current and Historical Rate Information. An SVCE customer's total cost of electric service is determined by SVCE's charges for energy and includes PG&E charges for transmission, distribution, and other non-by-passable charges. Additionally, SVCE's customers pay a PCIA which can vary annually based on several market factors including benchmarks for regional energy costs, resource adequacy, the year in which their community joined SVCE, and other considerations.

SVCE has priced its generation rate, inclusive of PCIA, below PG&E's comparable generation rate since the organization's initial enrollments. The primary alternative to SVCE service is to opt-out of SVCE service and return to PG&E service where the customer would pay a generation rate, inclusive of the PCIA, higher than SVCE's rate. SVCE strives to maintain this value as a customer retention tool. Given the nature of an opt-out energy program, there are no assurances that customers will continue service should SVCE's bundled costs become higher than PG&E's or that SVCE customers will not opt-out for reasons unrelated to the cost of service.

California Renewable Portfolio Standards and Other Regulations

General. Community choice aggregators such as SVCE are "load-serving entities" ("*LSEs*") and as such are required to comply with California's Renewable Portfolio Standard, Resource Adequacy requirements and Power Source Disclosure requirements described below.

Renewable Portfolio Standard. California's Renewable Portfolio Standard ("*RPS*") requires LSEs to supply their retail sales with minimum quantities of eligible renewable energy. Senate Bill 100 directs all LSEs to procure 60% of their portfolios from RPS-eligible resources by 2030 and 100% of their retail sales from zero-carbon resources (or eligible renewable resources) by 2045. SVCE's current policy is to procure 100% of retail sales from zero-carbon resources

comprised of RPS-eligible resources, such as solar, wind, geothermal and biomass, and zero-carbon non_RPS resources such as large hydroelectricity. SVCE's RPS directive is to exceed California's mandated RPS. SVCE's 2021 retail sales contained 47.3% RPS PCC1 eligible resources for GreenStart service and 100% RPS for GreenPrime. To date SVCE has executed 18 RPS contracts of ten years or more in duration and has met its RPS requirements for long-term procurement. SVCE intends to solicit additional long-term renewable resources to meet Board-directed goals and as ordered by the CPUC under the Mid-term Reliability Procurement decision (D.21-06-035) and the Supplemental Mid-Term Reliability Procurement Order (D-23-02-040). SVCE has already made significant progress towards procuring its share of the decision's mandated procurement.

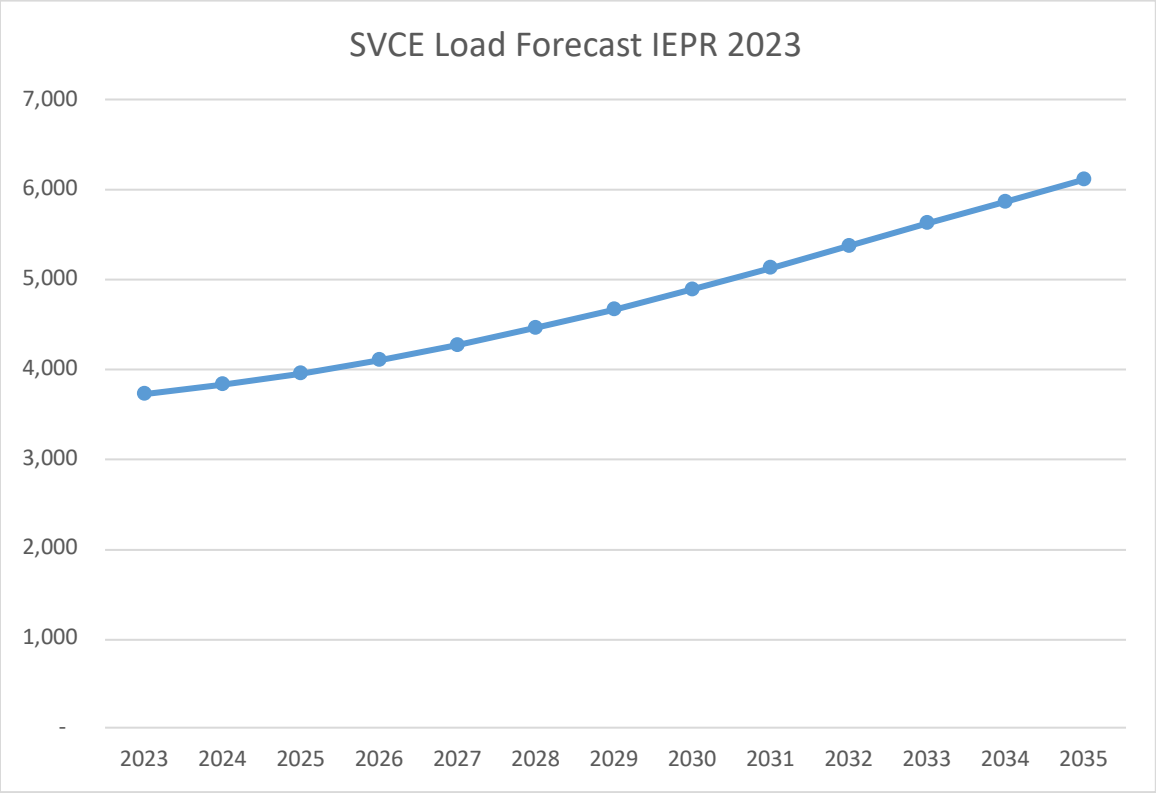
Resource Adequacy. Resource Adequacy ("*RA*"), a California program jointly administered by the CPUC, the CEC and CAISO, directs LSEs to secure forward capacity and offer it into the CAISO's Day-Ahead and Real-Time markets to ensure that there will be enough supply in the right locations and with sufficient ramping capability to meet load. The RA program is comprised of three products: System RA, Local RA, and Flexible RA. Starting in 2023, Local RA obligations are assigned to a Central Procurement Entity. In addition, per CPUC Decision 19-11-016, LSEs are required to procure "Incremental System Capacity," which is RA capacity in addition to the identified resources on the CPUC's 2022 baseline list of resources.

Power Source Disclosure. California law requires LSEs to disclose the types of power resources used to supply retail sales. This mandate, known as the Power Source Disclosure Program ("*PSD*"), is a consumer information program managed by the CEC on an annual basis. A key output of the PSD program is the Power Content Label ("*PCL*"). The PCL is an LSE-specific document that shows the breakdown of power resource types for each of the LSE's energy products used to serve retail load, as well as a breakdown of resource types for the overall California grid. The PCL is distributed to customers each year.

Energy Demand

Long-term Load Forecast. SVCE's long-term load forecast is a 10-year projection of the energy (reflected in MWh) that its customers will annually consume. SVCE's long-term load forecast is driven primarily by the number and types of customers that SVCE expects to serve, in conjunction with weather projections. SVCE's long-term load forecast also incorporates the load-

modifying effects of increasing electric vehicle adoption and charging, behind-the-meter solar and/or storage (via net energy metering), and energy efficiency.



*Source IEPR Adopted Numbers 2023

Sources of Energy

General. SVCE uses a portfolio risk-management approach in its power purchasing program, seeking low-cost supply and diversity among technologies, production profiles, project sizes and locations, counterparties, length of contract, and timing of market purchases. SVCE currently has 163 renewable, hydro, system energy, hedge, and Resource Adequacy contracts from diversified sources and counterparties, totaling over $3.6 billion in notional energy contracts to provide energy to its customers over the next 20-25 years.

Energy Purchases. In 2022, SVCE procured approximately 3.8 million MWh of electricity for its customers. SVCE anticipates that roughly 100% of its total 2023 retail sales will be sourced from carbon-free resources including renewables, large hydroelectric, and nuclear energy (primarily large hydroelectric energy from the Pacific Northwest, but also relatively small amounts of nuclear energy). SVCE's procurement strategy through 2030 includes regularly procuring new and existing California renewables by 2030 via both short- and long-term contracts. These renewables contracts will be in addition to the 2.7 million MWh of annual generation from 800 MW, or roughly 63.7% of its retail sales in 2025, of new and existing California and neighboring states renewables that SVCE has already procured. The strategy also includes investing in

additional storage paired with solar, stand-alone storage, long-duration storage, and large hydroelectric resources.

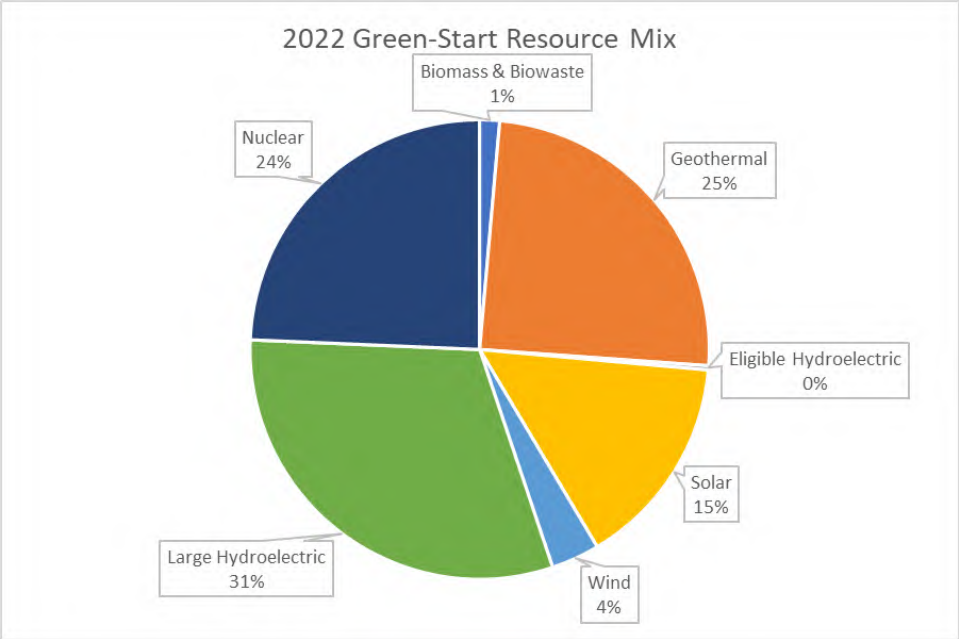
Energy Load and Supply Risk Management. SVCE continually manages its forward load obligations and supply commitments to balance cost stability and cost minimization while leaving some flexibility to take advantage of market opportunities or technological improvements that may arise. SVCE closely monitors its open positions for Portfolio Content Category 1 ("*PCC 1*") renewable energy and carbon-free, non-RPS eligible, based on calendar-year targets. SVCE maintains its clean portfolio coverage targets of up to 100% in the near term and leaves a greater portion open in the medium- to long-term, consistent with generally accepted industry practice.

SVCE monitors its positions on a regular basis with its Scheduling Coordinator, who produces a daily and weekly report of positions and pricing along with using sophisticated models to simulate hundreds of market conditions to assess optimal hedge levels and net revenue at risk. SVCE uses fixed-price energy contracts to hedge CAISO day-ahead market price exposure associated with its portfolio. More specifically, for the volumes and hours where SVCE does not have supply contracts that yield CAISO day-ahead revenue, SVCE uses fixed-price energy contracts where SVCE pays a fixed price per MWh in order to receive a floating price that clears for each hour. This helps hedge SVCE's CAISO day-ahead market price exposure. SVCE employs a laddering hedge strategy for up to five years out, requiring minimum and maximum tolerance bands of percent of load covered with fixed-price and firm volumes of resources. As SVCE procures increasing portions of fixed-price renewables with storage and fixed-price large hydroelectric and ACS energy, SVCE expects to reduce its use of fixed-price energy contracts.

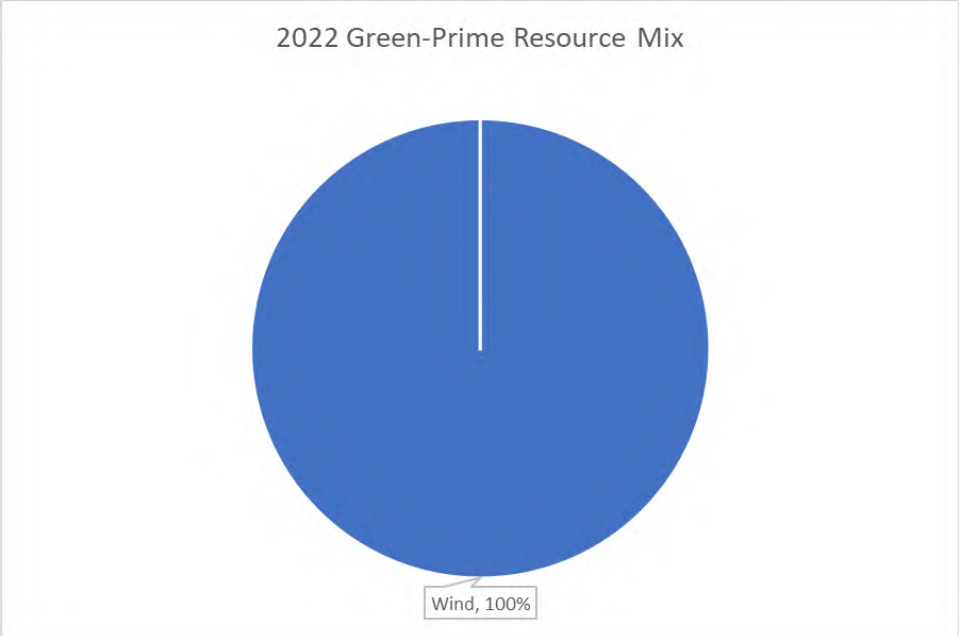
Procurement. SVCE procures energy and Resource Adequacy consistent with its Board-approved Energy Risk Management Policy. To effectively plan and manage its portfolio, SVCE differentiates contracts by their term length: short-term and long-term (longer than ten years). Based upon the expected contract tenor, SVCE may use various methods, including competitive solicitations, standard contract offerings, and bilaterally negotiated agreements. With regard to short-term power purchases, SVCE may negotiate bilateral agreements directly, especially for unique or time-sensitive transactions that do not lend themselves to inclusion in a competitive solicitation. Alternatively, particularly in markets with sufficient transparency to ensure competitive outcomes, SVCE may negotiate short-term transactions via its scheduling coordinator or independent energy brokers or marketers.

GreenStart Procurement Targets. Reducing GHG emissions is at the heart of SVCE's mission. SVCE's GreenStart and GreenPrime products provide a source of 100% clean, carbon-free energy. GreenStart is offered at 50% RPS-eligible resources and 50% carbon-free, non-RPS-eligible resources, while GreenPrime is comprised of 100% RPS-eligible resources as verified by Green-e. Both products deliver a higher renewable content and a competitive cost compared to PG&E.

SVCE 2022 GreenStart Resource Mix*

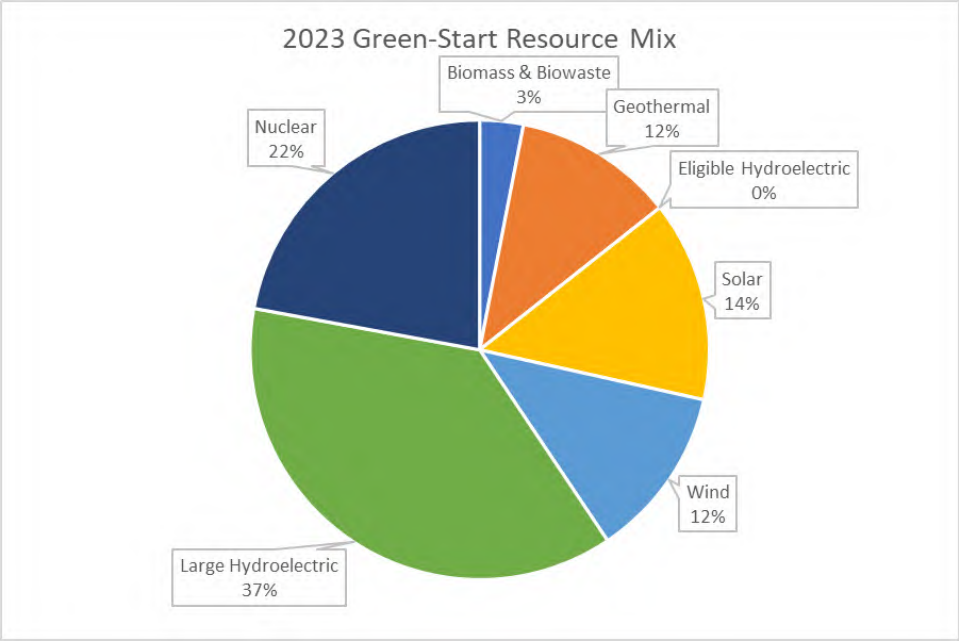


SVCE 2022 GreenPrime Resource Mix*

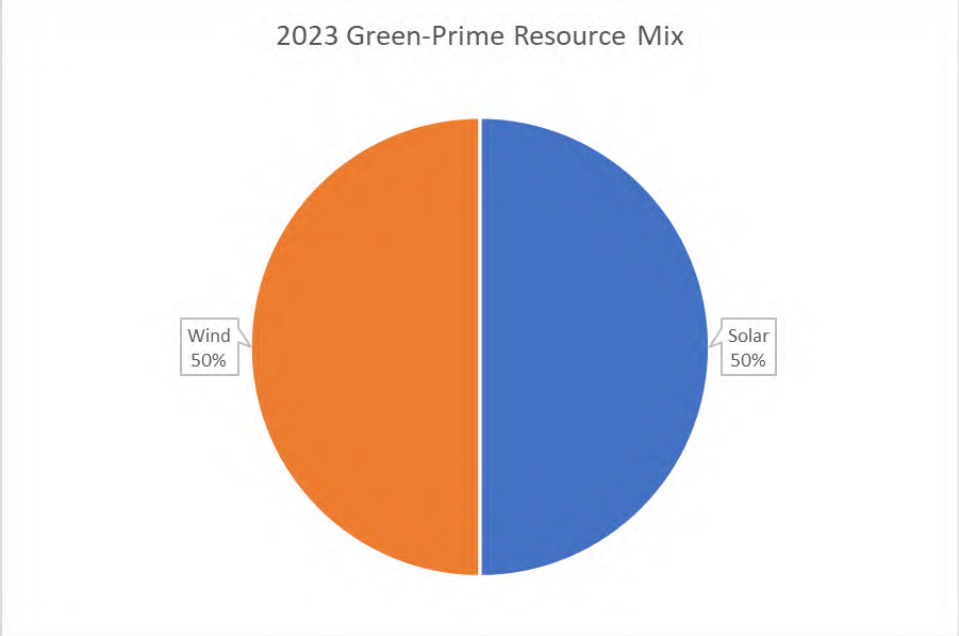


*The charts above are the energy supply that SVCE used to serve its 2022 retail sales for the GreenStart and GreenPrime product offerings

SVCE 2023 Estimated GreenStart Resource Mix*



SVCE 2023 Estimated GreenPrime Resource Mix*



*The charts directly above are <u>estimates</u> of the energy supply that SVCE will use to serve its 2023 retail sales for the GreenStart and GreenPrime product offerings.

Further descriptions of SVCE's policies and procedures addressing energy procurement and risk management can be found on the SVCE website at www.svcleanenergy.org. The reference to this website address is presented herein for informational purposes only, and information on such website is not incorporated by reference to this Official Statement.

SVCE Technology and Analytics

SVCE's analytics and data management are handled by teams across the organization, consisting of IT personnel, data analysts, and power analysts. SVCE employs a cloud-first data strategy, where all mission-critical data is stored on cloud services, including Box for cloud file storage, Microsoft Office365 for collaboration, and the Google Cloud Platform (GCP) for data warehousing. GCP offers a modern infrastructure for storing, processing, and analyzing sensitive data in the cloud, with encryption by default of data at-rest and in-transit, as well as fine-grained access control to sensitive resources.

In addition to the security infrastructure embedded in GCP, SVCE IT staff also oversee general compliance with rules and regulations established by the California Public Utilities Commission (CPUC) related to data privacy and security. SVCE conducts independent tri-annual audits of its security and data privacy practices – which are submitted to the CPUC – and produces additional data privacy reports for the CPUC annually, in compliance with CPUC regulations. SVCE customer data has not been the subject of any breaches or data security incidents.

Through the guidance from the VCISO, SVCE continually increases its Cyber Security Posture. SVCE analyzes cyber risks identified through audits and security assessments and uses VCISO's guidance to prioritize and roadmap remediations and implementations.

Finally, the IT staff oversees device and application security and related policies. In addition to standard threat mitigation and security measures (such as password policies and antivirus software), SVCE enforces multi-factor authentication (MFA) on all mission-critical applications and employs email screening tools and endpoint security systems.

Ultimately, by using a centralized cloud-first policy for critical resources and attendant applications, enforcing modern security practices such as MFA, and limiting the use of distributed storage devices, SVCE can minimize its exposure to security incidents.

Energy Storage

SVCE currently has 471 MW of 4-hour equivalent wholesale (*i.e.*, in front of the meter) storage capacity contracted over the next twenty years. Of the 471 MW of already contracted storage capacity, 188 MW is paired with solar, 250 MW is standalone, and approximately 33 MW is paired with a thermal resource. SVCE plans to procure additional solar with storage and standalone storage to meet new procurement mandates.

In 2020, SVCE launched its Lights on Silicon Valley program to deploy customer-sited solar and battery storage systems capable of providing backup power and behind-the-meter

dispatch, driving decarbonization, lowering utility costs for program participants, and enabling local grid management through load shaping. This program prioritizes vulnerable customers and populations disproportionately affected by grid outages.

Financial Information

Revenues from Energy Sales and Operating Expenses. SVCE derives its operating revenues primarily from energy sales to its customers.

Other Sources of Revenue. SVCE also receives revenues from sources other than retail customer sales. These sources include wholesale energy sales to other suppliers and grant income used to assist with various customer programs.

Results of Operations. The following is a summary of SVCE's results of operations for fiscal years ending September 30:

	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19	FY 2017/18
OPERATING REVENUES					
Electricity sales, net	$ 359,373,795	$ 241,484,417	$ 295,515,259	$ 291,390,036	$ 249,204,377
GreenPrime electricity premium	$ 1,741,940	$ 1,014,531	$ 1,315,254	$ 1,018,493	$ 730,235
Liquidated damages	$ 2,371,250		$ 6,600,000		
Other income	$ 34,549	$ 101,219	$ 213,207	$ 64,606	$ 13,500
Total operating revenues	$ 363,521,534	$ 242,600,167	$ 303,643,720	$ 292,473,135	$ 249,948,112
Operating Expenses					
Cost of electricity	$ 300,290,056	$ 238,586,555	$ 251,525,916	$ 217,237,705	$ 189,905,958
Contract services	$ 9,255,297	$ 9,490,474	$ 8,970,429	$ 7,136,317	$ 6,460,109
Staff compensation	$ 6,744,553	$ 5,474,124	$ 4,603,241	$ 3,399,752	$ 2,626,639
General and administration	$ 1,257,650	$ 4,109,299	$ 1,722,054	$ 1,175,314	$ 934,728
Program rebates and incentives	$ 579,004				
Depreciation	$ 581,928	$ 87,651	$ 52,979	$ 50,440	$ 39,629
Total operating expenses	$ 318,708,488	$ 257,748,103	$ 266,874,619	$ 228,999,528	$ 199,967,063
Operating income	$ 44,813,046	$ (15,147,936)	$ 36,769,101	$ 63,473,607	$ 49,981,049
NONOPERATING REVENUE (EXPENSES)					
Grant income	$ 1,545,172				
Interest income	$ 325,782	$ 273,985	$ 1,729,841	$ 1,230,787	$ 153,840
Financing costs	$ (36,126)	$ (186,951)	$ (350,511)	$ (144,157)	$ (15,666)
Total nonoperating revenues (expenses), net	$ 1,834,828	$ 87,034	$ 1,379,330	$ 1,086,630	$ 138,174
CHANGE IN NET POSITION	$ 46,647,874	$ (15,060,902)	$ 38,148,431	$ 64,560,237	$ 50,119,223
Net position at beginning of year	$ 166,035,647	$ 181,143,388	$ 142,994,957	$ 78,434,720	$ 28,315,497
Net position at end of year	$ 212,683,521	$ 166,082,486	$ 181,143,388	$ 142,994,957	$ 78,434,720

Assets, Liabilities, Deferred Inflows or Resources and Net Position. The following table is a summary of SVCE's assets, liabilities, deferred inflows, and net position for the fiscal years ending September 30:

	FY 2021/22	FY 2020/21	FY 2019/20	FY 2018/19	FY 2017/18
ASSETS					
Current assets					
Cash and cash equivalents	$ 167,673,753	$ 158,808,348	$ 159,924,735	$ 119,048,306	$ 56,963,340
Accounts receivable, net of allowance	$ 55,663,227	$ 25,990,183	$ 31,458,312	$ 30,276,814	$ 23,661,147
Accrued revenue	$ 25,508,698	$ 14,410,621	$ 17,517,224	$ 19,572,100	$ 16,931,361
Market settlements receivable	$ -	$ 269,012	$ 107,318	$ 166,657	$ -
Other receivables	$ 81,714	$ 230,485	$ 208,000	$ 17,900	$ 86,261
Prepaid expenses	$ 977,928	$ 2,378,236	$ 2,590,546	$ 1,333,915	$ 1,123,847
Deposits	$ 20,565,121	$ 726,084	$ 4,232,419	$ 2,260,556	$ 7,992,770
Restricted cash	$ 162,014	$ 4,000,216	$ 4,500,000	$ 5,000,000	$ 2,000,000
Total current assets	$ 270,632,455	$ 206,813,185	$ 220,538,554	$ 177,676,248	$ 108,758,726
Noncurrent assets					
Capital assets, net of depreciation	$ 357,746	$ 316,766	$ 119,175	$ 148,038	$ 184,319
Deposits	$ 45,330	$ 45,330	$ 145,130	$ 129,060	$ 6,192,560
Total noncurrent assets	$ 1,727,201	$ 362,096	$ 264,305	$ 277,098	$ 6,376,879
Total Assets	$ 272,359,656	$ 207,175,281	$ 220,802,859	$ 177,953,346	$ 115,135,605
LIABILITIES					
Current liabilities					
Accrued cost of electricity	$ 36,054,862	$ 30,827,091	$ 36,744,837	$ 32,132,309	$ 34,183,673
Accounts payable	$ 1,007,808	$ 1,537,376	$ 1,333,121	$ 946,047	$ 720,538
Accrued staff compensation and benefits			$ 415,732	$ 355,192	$ 191,289
Other accrued liabilities	$ 1,094,075	$ 642,043	$ 10,000	$ 257,530	$ -
User taxes and energy surcharges due to governments	$ 1,693,997	$ 1,055,035	$ 1,155,781	$ 1,238,991	$ 1,020,385
Supplier security deposits	$ 11,400,000				
Lease liability	$ 1,394,143				
Security deposits from energy suppliers	$ 7,031,250	$ 7,031,250		$ 28,320	$ 585,000
Total current liabilities	$ 59,676,135	$ 41,092,795	$ 39,659,471	$ 34,958,389	$ 36,700,885
NET POSITION					
Net position					
Investment in capital assets	$ 287,728	$ 316,766	$ 119,175	$ 148,038	$ 184,319
Restricted for line of credit collateral	$ 162,014	$ 4,000,216	$ 4,500,000	$ 5,000,000	$ 2,000,000
Unrestricted	$ 212,233,779	$ 161,765,504	$ 176,524,213	$ 137,846,919	$ 76,250,401
Total net position	$ 212,683,521	$ 166,082,486	$ 181,143,388	$ 142,994,957	$ 78,434,720

Deposit Accounts. SVCE maintains its cash in both interest-bearing and non-interest-bearing demand and term deposit accounts at River City Bank of Sacramento, California, and through the California Asset Management Program ("CAMP") at US Bank of St. Paul, Minnesota. SVCE's deposits with River City Bank are subject to California Government Code Section 16521, which requires that River City Bank collateralize public funds in excess of the Federal Deposit Insurance Corporation limit of $250,000 by 110%. CAMP is a California Joint Powers Authority (JPA) offering professional investment services to public agencies across California, including the use of the Cash Reserve Portfolio (CAMP Pool) and CAMP Term investments, which are accessible to all local agencies in accordance with California Government Code Section 53601(p). As of 2023, SVCE has appointed PFMAM (PFM Asset Management, LLC) as an investment advisor to manage the funds in CAMP accounts in accordance with our current investment policy Section 5. SVCE monitors its risk exposure to both River City Bank and CAMP on an ongoing basis. SVCE's Investment Policy permits the investment of funds in depository accounts, certificates of deposit, and the Local Agency Investment Fund program operated by the California State Treasury, United States Treasury obligations, Federal Agency Securities, California municipal obligations, commercial paper, money market funds, mortgage pass-through and asset-backed securities, supranational obligations, joint power authority pool, and FDIC insured placement service deposits.

Liquidity. In September 2023, the SVCE Board of Directors approved increasing the target financial reserve levels to 300 days of cash on hand. SVCE currently provides cash collateral for only one outstanding letter of credit, totaling $147,000.

Credit Rating. SVCE has an 'A' issuer credit rating from S&P Global with a stable outlook and a Baa1, outlook stable rating from Moody's.

APPENDIX B
DEFINITIONS OF CERTAIN TERMS

"Act" means the Joint Exercise of Powers Act constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time.

"Administrative Fee Fund" means the fund of that name created under the Indenture.

"*Annual Quantity*" means, with respect to each Contract Year of the Delivery Period, the quantity (in MWh) of Assigned Product for such Contract Year as set forth in the applicable exhibit to the Power Supply Contract for such Contract Year; provided that the Annual Quantity for any Contract Year shall be reduced by the aggregate quantities of Base Energy required to be remarketed under the Power Supply Contract for any given Contract Year.

"Applicable Factor" means (a) with respect to the initial issuance of a Series of Bonds bearing interest at a SOFR Index Rate, the percentage or factor of the SOFR Index determined by the Underwriter and specified in the Index Rate Determination Certificate for such Series of Bonds, or (b) with respect to a Series of Bonds for which the Interest Rate Period is being converted to a SOFR Index Rate Period (including a change in such Interest Rate Period from one SOFR Index Rate Period to another SOFR Index Rate Period), the percentage or factor of the SOFR Index determined by the Remarketing Agent and specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice, provided in each case that CCCFA delivers to the Trustee a Favorable Opinion of Bond Counsel addressing the selection of such percentage or factor. The Applicable Factor shall be determined by the Underwriter or the Remarketing Agent, as applicable, in accordance with the Indenture and included in the applicable Index Rate Determination Certificate, and once determined shall remain constant for the duration of the applicable SOFR Index Rate Period.

"Assigned Delivery Point" means the delivery point for Assigned Energy as set forth in the applicable Assignment Agreement.

"Assigned Energy" means EPS Compliant Energy assigned pursuant to an Assignment Agreement.

"*Assigned Paygo Quantity*" means any Assigned Products delivered under the Power Supply Contract in excess of the Annual Quantity for any Contract Year.

"Assigned Product" means, as applicable, PCC1 Product, Long-Term PCC1 Product, Assigned Energy, Assigned RECs and any other product included in an Assignment Agreement

"Assigned RECs" means any RECs to be delivered to MSCG or the Energy Supplier pursuant to any Assigned Rights and Obligations.

"Assigned Rights and Obligations" means a portion of the Project Participant's rights and obligations under a power purchase agreement assigned pursuant to an Assignment Agreement.

"*Assignment Agreements*" mean the Initial Assignment Agreement and any subsequent assignment agreement entered into consistent with the Assignment Letter Agreement.

"*Assignment Letter Agreements*" means those certain Letter Agreements, dated as of the date of the Prepaid Energy Sales Agreement, by and among MSCG, the Energy Supplier, CCCFA and the Project Participant.

"Assignment Payment" means any payment received from the Energy Supplier in connection with an assignment of the Prepaid Energy Sales Agreement to a replacement energy supplier.

"Assignment Payment Fund" means the Assignment Payment Fund established under the Indenture.

"Base Energy" means Firm (LD) Energy to be delivered to an Energy Delivery Point.

"Bond Counsel" means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions and instrumentalities, duly admitted to the practice of law before the highest court of any state of the United States, and selected by CCCFA.

"Bond Payment Date" means each date on which (a) interest on the Bonds is due and payable, (b) an Interest Rate Swap Payment is due, or (c) principal of the Bonds is payable at maturity or pursuant to Sinking Fund Installments.

"*Bond Purchase Fund*" means the fund by that name established pursuant to the Indenture, including the Remarketing Proceeds Account and the Issuer Purchase Account.

"*Bond Registrar*" means the Trustee and any other bank or trust company organized under the laws of any state of the United States of America or national banking association appointed by CCCFA to perform the duties of Bond Registrar under the Indenture.

"*Bondholder*" or "*Holder*" or "*Owner*" means any Person who shall be the registered owner of any Bond or Bonds.

"Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, or the city in which is located the designated corporate trust office of the Trustee, the Custodian, or the Calculation Agent are authorized by law or executive order to close, (c) a day on which the New York Stock Exchange, Inc. is closed, (d) a day on which the payment system of the Federal Reserve System is not operational, and (e) for purposes of determining the SIFMA Index Rate and the SOFR Index Rate, any day other than Saturday, a Sunday, or a day that SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in fixed-income securities. With respect to any action required to be taken by the Issuer under the Indenture, the term "Business Day" shall exclude any date on which the operational offices of the Issuer are authorized by law or executive order to close.

"CAISO" means California Independent System Operator or its successor.

"Calculation Agent" means The Bank of New York Mellon Trust Company, N.A., as Calculation Agent for the Series 2023[_]-2 Bonds and the Series 2023[_]-3 Bonds.

"CCCFA Custodial Agreement" means that certain Custodial Agreement, dated as of the date of issuance of the Bonds, by and among the Swap Counterparty, CCCFA, and The Bank of New York Mellon Trust Company, N.A., as Trustee and custodian, as the same may be amended, modified or supplemented from time to time.

"CCCFA Commodity Swap" means (i) the transaction entered into under the ISDA Master Agreement, dated as of the date of the Indenture, by CCCFA and the Commodity Swap Counterparty (as

supplemented by the confirmation in respect of such transaction), and (ii) each replacement CCCFA Commodity Swap entered into pursuant to the Prepaid Energy Sales Agreement.

"Cede" means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds pursuant to Section 3.09.

"Clean Energy Project" means, collectively, CCCFA's purchase of Energy pursuant to the Energy Purchase Agreement and related contractual arrangements and agreements, and the purchase of any Energy to replace Energy not delivered as required pursuant to the Energy Purchase Agreement.

"Contract Quantity" means, (a) with respect to the Assigned Energy, the Annual Quantity of Assigned Energy set forth in the applicable exhibit to the Prepaid Energy Sales Agreement for each Contract Year of the Delivery Period and (b) with respect to Base Energy, the Hourly Quantity of Base Energy set forth in the applicable exhibit to the Prepaid Energy Sales Agreement for any Month, as such exhibits shall be updated from time to time in accordance with the Prepaid Energy Sales Agreement.

"Contract Year" means each period of 12 Months from January 1 until December 31 during the Delivery Period.

"Commercial Paper Interest Rate Period" means, with respect to a Series of Bonds, each period comprised of CP Interest Terms for the Bonds of such Series, during which CP Interest Term Rates are in effect for the Bonds of such Series.

"Commercially Reasonable" or *"Commercially Reasonable Efforts"* means, with respect to any purchase or sale or other action required to be made, attempted or taken by the Project Participant, CCCFA or the Energy Supplier under the Power Supply Contract or the Prepaid Energy Sales Agreement, as applicable, such efforts as a reasonably prudent Person would undertake for the protection of its own interest under the conditions affecting such purchase or sale or other action, including without limitation, the amount of notice of the need to take such action, the duration and type of the purchase or sale or other action, the competitive environment in which such purchase or sale or other action occurs, and the risk to the Party required to take such action.

"Commodity Swap Counterparty" means Natixis, a bank and joint stock company with a Board of Directors duly organized and existing under the laws of France, and its successors and assigns and the counterparty to any replacement Commodity Swap that meets the requirements of the Indenture.

"*Commodity Swap Mandatory Termination Event*" occurs if the Commodity Swap becomes terminable by CCCFA pursuant to Part 1(h)(ii) (failure to pay after cure period) of the Schedule to the Commodity Swap.

"Commodity Swap Payment Fund" means the Commodity Swap Payment Fund established pursuant to the Indenture.

"Commodity Swap Payments" means, as of each scheduled payment date specified in the CCCFA Commodity Swap, the amount, if any, payable to the Commodity Swap Counterparty by CCCFA (including any such amount paid to the Custodian pursuant to the CCCFA Custodial Agreement).

"Commodity Swap Receipts" means, as of each scheduled payment date specified in a Commodity Swap, the amount, if any, payable to CCCFA by the Commodity Swap Counterparty.

"*Commodity Swaps*" means, collectively, the CCCFA Commodity Swap and the MSES Commodity Swap.

"*Continuing Disclosure Undertaking*" means the Continuing Disclosure Undertaking, dated the date of the Indenture, between CCCFA and the Dissemination Agent, as the same may be amended from time to time.

"Contract Price" means (a) the Day-Ahead Price during the Initial EPS Energy Period and thereafter the Day-Ahead Average Price for the Month in which Energy is delivered, minus (b) the Monthly Discount. The Contract Price for Assigned Energy is inclusive of any amounts due in respect of other Assigned Products.

"Contract Quantity" means, with respect to each Month during the Delivery Period, (i) the Monthly Quantity of Assigned Energy set forth in the applicable exhibit to the Prepaid Energy Sales Agreement for such Month and (ii) the Hourly Quantity of Base Energy set forth in the applicable exhibit to the Prepaid Energy Sales Agreement for such Month, as such exhibits shall be updated from time to time in accordance with the Prepaid Energy Sales Agreement.

"*Conversion*" means (a) a conversion of a Series of Bonds from one Interest Rate Period to another Interest Rate Period, (b) with respect to a Series of Bonds bearing interest at an Index Rate, the establishment of a new Index, a new Index Rate and/or a new Index Rate Period and (c) with respect to a Series of Bonds bearing interest in a Term Rate Period, the establishment of a new Term Rate and/or a new Term Rate Period. A Conversion may occur only on a Mandatory Purchase Date.

"*Conversion Date*" means the effective date of a Conversion of a Series of Bonds and shall occur only on a Mandatory Purchase Date.

"Cost of Acquisition" means all costs of planning, financing, refinancing, acquiring, transmitting, storing and implementing the Clean Energy Project, including:

(a) the amount of the prepayment required to be made by CCCFA under the Prepaid Energy Sales Agreement;

(b) the amount for deposit into the Capitalized Interest Subaccount of the Debt Service Account for capitalized interest on the Bonds, with such interest being calculated in accordance with the definition of "Debt Service;"

(c) the costs and expenses incurred in the issuance and sale of the Bonds, including, without limitation, legal, financial advisory, accounting, engineering, consulting, municipal advisory, financing, technical, fiscal agent and underwriting costs, fees and expenses, bond discount, rating agency fees, and all other costs and expenses incurred in connection with the authorization, sale and issuance of the Bonds and preparation of the Indenture;

(d) all other costs incurred in connection with and properly chargeable to, the acquisition or implementation of the Clean Energy Project;

(e) the allowance for working capital requirements of CCCFA with respect to the Clean Energy Project in such amounts as shall be deemed reasonably necessary by CCCFA; and

(f) with respect to any Series of Refunding Bonds, the amounts necessary to purchase, redeem and discharge Bonds being refunded, including the payment of the Purchase Price or the

Redemption Price of such Bonds, any necessary deposits to the Debt Service Account, and all other costs and expenses incurred in connection with such Series of Refunding Bonds, including the costs and expenses described in (e) and (f) above.

"CP Interest Term" means, with respect to a Commercial Paper Interest Rate Period for a Series of Bonds, each period established in accordance with the Indenture during which a CP Interest Term Rate is in effect for the Bonds of such Series.

"CP Interest Term Rate" means, with respect to any Bond of a Series of Bonds in the Commercial Paper Interest Rate Period, an interest rate established periodically for each CP Interest Term in accordance with the Indenture.

"Custodial Agreements" means, collectively, the CCCFA Custodial Agreement and the Energy Supplier Custodial Agreement.

"Custodian" means The Bank of New York Mellon Trust Company, N.A., as Custodian under the Custodial Agreements and its successors and assigns.

"Daily Interest Rate" means, with respect to a Series of Bonds, the final daily interest rate for such Bonds determined by the Remarketing Agent by 11:00 a.m. New York City time pursuant to the Indenture.

"Daily Interest Rate Period" means, with respect to a Series of Bonds, each period during which a Daily Interest Rate is in effect for such Bonds.

"Day-Ahead Average Price" means, for any Assigned Energy after the Initial EPS Energy Periods, the weighted average Day-Ahead Market Price for each Month during the applicable EPS Energy Period, with such weighted average calculated in accordance with the Prepaid Energy Sales Agreement.

"Day-Ahead Market Price" means the Day Ahead Market or Locational Marginal Price for the Energy Delivery Point for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

"Debt Service" means with respect to any Outstanding Bonds, for any particular period of time, an amount equal to the sum of:

(a) all interest payable during such period on such Bonds, but excluding any interest that is to be paid from Bond proceeds on deposit in the Debt Service Account, plus

(b) the Principal Installments payable during such period on such Bonds, calculated on the assumption that, on the day of calculation, such Bonds cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture;

provided that (i) the interest on any Bonds with a related Interest Rate Swap shall be calculated on the basis of the fixed interest rate payable by CCCFA under the Interest Rate Swap, and (ii) principal and interest due on the first day of a Fiscal Year shall be deemed to have been payable and paid on the last day of the immediately preceding Fiscal Year.

"Debt Service Account" means the Debt Service Account in the Debt Service Fund established under the Indenture.

"Debt Service Fund" means the Debt Service Fund established in Section 5.02 of the Indenture.

"Debt Service Fund Agreement" means any debt service fund agreement, that is a Qualified Investment, among the Trustee, CCCFA and a provider, or between CCCFA and a provider and assigned to the Trustee, relating to amounts deposited in the Debt Service Account of the Debt Service Fund. The initial Debt Service Fund Agreement shall be the investment agreement (which may be in the form of an ISDA Master Agreement) with the Investment Agreement Provider with respect to the Debt Service Account, including the Capitalized Interest Subaccount therein, with a term coterminous with the Initial Interest Rate Period, which is required to meet all of the criteria of a Qualified Investment under the Indenture and is expected to be bid out on the day of Bond pricing to qualified investment providers.

"Debt Service Fund Agreement Guaranty" means any unconditional guaranty, in favor of CCCFA and the Trustee, guarantying the obligations of the provider under any Debt Service Fund Agreement.

"Defeasance Securities" means (a) Government Obligations and (b) to the extent that such deposits or certificates of deposit are Qualified Investments, deposits in interest-bearing time deposits or certificates of deposit which shall not be subject to redemption or repayment prior to their maturity or due date other than at the option of the depositor or holder thereof or as to which an irrevocable notice of redemption or repayment, or irrevocable instructions have been given to call for redemption or repayment, of such time deposits or certificates of deposit on a specified redemption or repayment date has been given and such time deposits or certificates of deposit are not otherwise subject to redemption or repayment prior to such specified date other than at the option of the depositor or holder thereof, and which are fully secured by Government Obligations to the extent not insured by the Federal Deposit Insurance Corporation.

"*Delivered Product Payment Amount*" means, in respect of each PPA Monthly Statement, an amount equal to the lesser of (a) the Monthly Projected Quantity under the relevant Assigned PPA for such Month multiplied by the Assigned Product Price (specified in Exhibit A to the Participant Custodial Agreement) for such Assigned PPA; and (b) the actual quantity of Assigned Product reflected in such PPA Monthly Statement multiplied by the Assigned Product Price then in effect under the relevant Assigned PPA, minus the face amount of any Receivable (as defined in the Prepaid Agreement) that is delivered by the PPA Assignee to the Participant Custodian pursuant to Section 4(e) of the Participant Custodial Agreement; provided that, notwithstanding the foregoing, there shall be no Delivered Product Payment Amount or any other obligations of PPA Assignee with respect to quantities of Assigned Product delivered in excess of the Annual Quantity in any Contract Year.

"Delivery Period" means the period commencing [_____] 1, 202[_] and ending [_____ __], 205[_].

"Delivery Point" means (i) the applicable Assigned Delivery Point(s) for Assigned Energy and (ii) the applicable Energy Delivery Point for Base Energy, as set forth in the Prepaid Energy Sales Agreement.

"Depository" means any bank, trust company, national banking association, savings and loan association, savings bank or other banking association selected by CCCFA as a depository of moneys and securities held under the provisions of the Indenture, and may include the Trustee.

"Dissemination Agent" means that certain dissemination agent appointed by CCCFA, pursuant to the Continuing Disclosure Undertaking, and any successor Dissemination Agent appointed by CCCFA in accordance with the Continuing Disclosure Undertaking.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Early Termination Date" means a date designated pursuant to the Prepaid Energy Sales Agreement upon which the Delivery Period will end and CCCFA's and the Energy Supplier's respective obligations to receive and deliver Energy under the Prepaid Energy Sales Agreement will terminate.

"Early Termination Payment Date" means the date payment of a Termination Payment is required to be made by the Energy Supplier under the Prepaid Energy Sales Agreement.

"Electronic Means" means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by a Responsible Officer of the Trustee as available for use in connection with its services hereunder.

"*Eligible Bonds*" means any Bonds other than Bonds which a Responsible Officer of the Trustee actually knows to be owned by, for the account of, or on behalf of CCCFA or a Project Participant.

"EMMA" means the Electronic Municipal Market Access system, the website currently maintained by the Municipal Securities Rulemaking Board and any successor municipal securities disclosure website approved by the Securities and Exchange Commission.

"Energy" means three-phase, 60-cycle alternating current electric energy, expressed in MWhs.

"Energy Delivery Point" means the delivery point for Base Energy specified in the Prepaid Energy Sales Agreement.

"*Energy Purchase Agreement*" means the Prepaid Energy Sales Agreement, dated as of _____, 2023, between the Energy Supplier and CCCFA.

"Energy Remarketing Reserve Fund" means the Energy Remarketing Reserve Fund in established under the Indenture.

"Energy Supplier" means Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company.

"Energy Supplier Commodity Swap" means (i) the transaction confirmation entered into under the ISDA Master Agreement, dated as of the date of the Prepaid Energy Sales Agreement, by the Energy Supplier and the Swap Counterparty, and (ii) each replacement the Energy Supplier Swap entered into pursuant to the Prepaid Energy Sales Agreement.

"Energy Supplier Custodial Agreement" means that certain Custodial Agreement, dated as of the date of and the Initial Issue Date among the Commodity Swap Counterparty, the Energy Supplier, the Trustee, and the Custodian.

"Energy Supplier Guaranty" means the Morgan Stanley Guarantee, as defined in the Energy Purchase Agreement.

"EPS" means California's Emissions Performance Standards, as set forth in Sections 8340 and 8341 of the California Public Utilities Code, as implemented and amended from time to time, and any successor Law.

"EPS Compliant Energy" means Energy that the Project Participant can contract for and purchase in compliance with EPS requirements that are applicable to the Project Participant.

"EPS Energy Period" means the Initial EPS Energy Periods and any subsequent EPS Energy Periods established by future assignments of power purchase agreements consistent with the Assignment Letter Agreements.

"Extraordinary Expenses" means extraordinary and nonrecurring expenses. Termination payments under the Commodity Swap shall not be considered an Extraordinary Expense.

"Failed Remarketing" means, (a) with respect to the Bonds on the Mandatory Purchase Date, a failure to either (i) pay the Purchase Price of the Bonds required to be purchased on such date or (ii) redeem such Bonds in whole on such date (including from any funds required from an Assignment Payment to the Assignment Payment Fund) or (b) with respect to the Bonds (i) if, on the last day of the current Reset Period prior to the Mandatory Purchase Date, CCCFA has not entered into a bond purchase agreement, firm remarketing agreement or similar agreement with respect to the remarketing or refunding of such existing Bonds, or (ii) if the conditions of (b)(i) above are satisfied, but the Purchase Price of the Bonds required to be purchased on the Mandatory Purchase Date is not delivered to the Trustee by noon New York City time on the fifth Business Day preceding such Mandatory Purchase Date.

"Favorable Opinion of Bond Counsel" means an Opinion of Bond Counsel to the effect that an action proposed to be taken is not prohibited by the Indenture and will not, in and of itself, cause interest on the applicable Bonds to be included in gross income for purposes of federal income taxation.

"Fiduciary" or *"Fiduciaries"* means the Trustee, the Paying Agents, the Bond Registrar, the Calculation Agents, the Custodian, the tender agent or any or all of them, as may be appropriate.

"*Final Fixed Rate Conversion Date*" means, with respect to a Series of Bonds, the date on which such Bonds begin to bear interest for a Term Rate Period which extends to the Final Maturity Date for such Series of Bonds.

"Firm (LD)" means, with respect to the obligation to deliver Energy, that CCCFA or the Energy Supplier shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure.

"Fiscal Year" means (a) the twelve-month period beginning on January 1 of each year and ending on and including the next December 31, or (b) such other twelve-month period established by CCCFA from time to time, upon Written Notice to the Trustee, as its fiscal year.

"Fitch" means Fitch Ratings, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

"Force Majeure" means an event or circumstance which prevents the Project Participant, CCCFA or the Energy Supplier from performing its obligations under the Prepaid Energy Sales Agreement or Power Supply Contract, which event or circumstance was not anticipated as of the Execution Date, which is not within the reasonable control of, or the result of the negligence of, the Claiming Party, and which, by the exercise of due diligence, the Claiming Party is unable to overcome or avoid or cause to be avoided. Force Majeure shall not be based on (i) the loss of CCCFA's or the Project Participant's markets; (ii) CCCFA's or the Project Participant's inability economically to use or resell any Energy purchased under the Prepaid Energy Sales Agreement or Power Supply Contract, respectively; (iii) the loss or failure of the Energy Supplier's supply except if such loss or failure results from curtailment by a Transmission Provider; or (iv) the Energy Supplier's ability to sell the Energy at a higher price. No party may raise a claim of Force

Majeure based in whole or in part on curtailment by a Transmission Provider unless (a) such party (or an upstream supplier with respect to the Energy Supplier or the Project Participant with respect to CCCFA) has contracted for firm transmission with such Transmission Provider for the Energy to be delivered to or received at the Energy Delivery Point and (b) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that Force Majeure as defined in the first sentence hereof has occurred. Notwithstanding the foregoing or anything to the contrary herein, (I) to the extent that a PPA Supplier fails to deliver any Assigned Energy and claims force majeure with respect to such failure to deliver, then such event shall be deemed to constitute Force Majeure in respect of the Energy Supplier; and (II) to the extent that an Assignment Agreement is terminated early, such termination shall constitute Force Majeure with respect to the Energy Supplier until the earlier of (A) the commencement of an "Assignment Period" under a replacement Assignment Agreement, (B) the commencement of the delivery of EPS Compliant Energy procured by MSCG consistent with the Assignment Letter Agreement or (C) the end of the second Month following the Month in which such early termination occurs.

"General Reserve Fund" means the General Reserve Fund established in Section 5.02 of the Indenture.

"Government Agency" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards, bureaus, agencies, or instrumentalities.

"Government Obligations" means:

(a) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, obligations unconditionally guaranteed as to principal and interest by the United States of America, and evidences of ownership interests in such direct or unconditionally guaranteed obligations; or

(b) Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which: (i) are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice; (ii) are rated in the two highest Rating Categories of S&P and Moody's; and (iii) are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in clause (a) above, which fund may be applied only to the payment of interest when due, principal of and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable notice, as appropriate; or

(c) Any other bonds, notes or obligations of the United States of America or any agency or instrumentality thereof which, if deposited with the Trustee for the purpose described in the Indenture, will result in a rating on the Bonds which are deemed to have been paid pursuant to the Indenture that is in the same Rating Category of the obligations listed in subsection (a) above.

The determination as to whether any bond, note or other obligation constitutes a Government Obligation shall be made solely at the time of initial investment or purchase; *provided that,* the Trustee shall have no responsibility for determining whether any bond, note or other obligation is a Government Obligation.

"Hour" means each 60-minute period commencing at 00:00 PPT on the first day of the Delivery Period. The term "Hourly" shall be construed accordingly.

"Hourly Quantity" means, with respect to each Delivery Hour during a Delivery Period, the quantity (in MWh) of Base Energy set forth in the Prepaid Energy Sales Agreement for the Month in which such Delivery Hour occurs, as updated from time to time in accordance with the Prepaid Energy Sales Agreement.

"*Indenture"* means the Trust Indenture as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms hereof.

"Index" means the SIFMA Index or the SOFR Index, as applicable.

"*Index Rate"* means a SIFMA Index Rate or the SOFR Index Rate, as applicable.

"Index Rate Continuation Notice" means a Written Notice delivered by the Issuer in the form provided in the Indenture.

"Index Rate Period" means, with respect to a Series of Bonds, an Interest Rate Period during which the Bonds of such Series bear interest at an Index Rate.

"*Index Rate Reset Date*" means, with respect to (i) the Series 2023[_]-2 Bonds during the Initial Interest Rate Period, Thursday of each week or, if Thursday is not a Business Day, the next succeeding Business Day and if the SIFMA Index is not issued on Wednesday of such week, the Business Day next succeeding the day on which the SIFMA Index for such week is issued, and (ii) with respect to any other Series of Bonds bearing interest at an Index Rate, each date on which the applicable Index Rate is determined by the Calculation Agent based on the change in the applicable Index as of such date, which shall be the date or dates so specified in the applicable Index Rate Determination Certificate or Index Rate Continuation Notice with respect to such Index Rate Period (including, by way of example and not limitation, each Business Day, Thursday of each week, the first Business Day of each calendar month, the first Business Day of a calendar quarter or SOFR Effective Date).

"Initial Assignment Agreement" means the Assignment Agreement entered into among the Project Participant, the Energy Supplier and MSCG, as seller under the Initially Assigned PPA.

"Initial EPS Energy Period" means the period during which the Initial Assignment Agreement is in effect, which commences on first day of the initial Delivery Period and ends on [_____], 20[__].

"Initial Interest Rate Period" means, with respect to the Series 2023[_] Bonds, the period from the date of issuance of the Bonds to and including [_____ __], 20[__]*.

"*Initial Mandatory Purchase Date*" means [_____] 1, 20[__]*, which is the day following the last day of the Initial Interest Rate Period for the Series 2023[_] Bonds.

"*Initial PPA Supplier*" means MSCG.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, including the applicable U.S. Treasury Regulations promulgated thereunder.

* Preliminary; subject to change.

"*Interest Accrual Date*" means, with respect to any Bond (a) during any Daily Interest Rate Period or Weekly Interest Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Daily Interest Rate Period or Weekly Interest Rate Period, as applicable, (b) during any Index Rate Period for such Bond, the first day thereof and, thereafter each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Index Rate Period, except as otherwise provided in the Supplemental Indenture for such Bond, (c) during any Term Rate Period for such Bond, the first day thereof and, thereafter, each Interest Payment Date in respect thereof other than the last such Interest Payment Date during that Term Rate Period, and (d) for each CP Interest Term for such Bond within a Commercial Paper Interest Rate Period, the first day thereof.

"Interest Payment Date" means (i) with respect to the Series 2023[_]-1 Bonds, each [_____] 1 and [_____] 1, commencing [_____] 1, 2024*, and (ii) with respect to the Series 2023[_]-2 Bonds and Series 2023[_]-3 Bonds, the first Business Day of each month, commencing with the first Business Day of [_____] 202[_]*.

"Interest Rate Period" means a Daily Interest Rate Period, a Weekly Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period. Notwithstanding anything contained in the Indenture to the contrary, all Bonds of a Series shall at all times bear interest in the same Interest Rate Period. All Interest Rate Periods for all Series of Bonds shall terminate on the first to occur of the day prior to (a) the next occurring Mandatory Purchase Date or (b) the Final Maturity Date.

"*Interest Rate Swap*" means the ISDA Master Agreement, the Schedule thereto and the Confirmation thereunder between the Issuer and the Interest Rate Swap Counterparty, and any replacement interest rate swap agreement permitted by the Indenture.

"Interest Rate Swap Counterparty" means MSES.

"Interest Rate Swap Payments" means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to the Interest Rate Swap Counterparty by CCCFA.

"Interest Rate Swap Receipts" means, as of each scheduled payment date specified in the Interest Rate Swap, the amount, if any, payable to CCCFA by the Interest Rate Swap Counterparty.

"Investment Agreement Provider" means _____.

"*Issuer Custodial Agreement*" means the Custodial Agreement dated as of the Initial Issue Date among the Commodity Swap Counterparty, CCCFA, the Trustee and the Custodian.

"*Issuer Purchase Account*" means the Account by that name in the Bond Purchase Fund.

"Law" means any statute, law, rule or regulation or any judicial or administrative interpretation thereof having the effect of the foregoing enacted, promulgated, or issued by a Government Agency whether in effect as of the execution date of the Prepaid Energy Sales Agreement or at any time in the future.

"Long-Term PCC1 Product" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1, and the California Long-Term Contracting Requirements, to be delivered to MSCG, the Energy Supplier or any successors thereto pursuant to any Assigned Rights and Obligations.

"Mandatory Purchase Date" means [_____] 1, 20[__][*].

"*Maturity Date"* means each date upon which principal of the Bonds is due, as set forth in the Indenture.

"*Maximum Lawful Rate"* means the maximum interest rate permitted by applicable law.

"*Maximum Rate"* means the lesser of [12]% per annum and the Maximum Lawful Rate.

"Minimum Discount" has the meaning specified in the Power Supply Contract.

"*Minimum Rate*" means 0.00% per annum.

"Month" means a calendar month.

"*Monthly Excess Quantity*" means, for any Month, the amount, if any, by which the total quantity (in MWh) of Assigned Product delivered under the Power Supply Contract in such Month exceeds the Monthly Projected Quantity for such Month.

"Monthly Projected Quantity" means, with respect to each Month of the Delivery Period, the projected quantity (in MWh) of Assigned Product for such Month as set forth in the Prepaid Energy Sales Agreement and the Power Supply Contract, as updated from time to time in accordance therewith.

"*Moody's"* means Moody's Investors Service, Inc., its successors and assigns, and, if such corporation shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

"Morgan Stanley" means Morgan Stanley, a Delaware corporation.

"Morgan Stanley Guarantee" means a guarantee of Morgan Stanley of the Energy Supplier's payment obligations under the Prepaid Energy Sales Agreement, including the Receivables Purchase Provisions therein, and the Interest Rate Swap.

"MSCG" means Morgan Stanley Capital Group Inc., a Delaware corporation.

"*MSES*" means Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company.

"MSES Commodity Swap" means (i) the transaction entered into under the ISDA Master Agreement, dated as of the date of the Indenture, by the Energy Supplier and the Commodity Swap Counterparty (as supplemented by the confirmation in respect of such transaction and the Credit Support Documents thereto), and (ii) each replacement MSES Commodity Swap entered into pursuant to the Prepaid Energy Sales Agreement.

"*MWh*" means a megawatt-hour.

"Net Participant Shortfall Amount" means, for any Month in which the Project Participant fails to pay the full amount due under its Power Supply Contract in time for such amount to be credited to the Revenue Fund for application pursuant to the Indenture and the full amount due by such Project Participant

[*] Preliminary; subject to change.

is not otherwise paid by the Energy Supplier pursuant to the Receivables Purchase Provisions, an amount equal to the positive result (if any) of (i) such Project Participant's Payment Deficiency Index Baseline for such Month minus (ii) the greater of (a) such Project Participant's Payment Deficiency Fixed Baseline for such Month, and (b) the actual amount paid by such Project Participant for such Month, *provided* that if the foregoing does not result in a positive number, then no Net Participant Shortfall Amount will exist for such Project Participant for such Month.

"*NY Federal Reserve's Website*" means the website of the Federal Reserve Bank of New York currently at http://www.newyorkfed.org, or any successor website of the Federal Reserve Bank of New York.

"Operating Expenses" means, to the extent properly allocable to the Clean Energy Project, (a) CCCFA's expenses for operation of the Clean Energy Project, including all Rebate Payments, costs, collateral deposits and other amounts (other than Commodity Swap Payments) necessary to maintain any Commodity Swap; and payments required under the Energy Purchase Agreement (which may, under certain circumstances, include imbalance charges and other miscellaneous payments) or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contracts; (b) any other current expenses or obligations required to be paid by CCCFA under the provisions of the Indenture (other than Debt Service on the Bonds and deposits to the General Reserve Fund and the Energy Remarketing Reserve Fund, or any Cost of Acquisition) or by law or required to be incurred under or in connection with the performance of CCCFA's obligations under the Power Supply Contracts; (c) fees payable by CCCFA with respect to any Remarketing Agreement; (d) the fees and expenses of the Fiduciaries; (e) reasonable accounting, legal and other professional fees and expenses, and all other reasonable administrative and operating expenses of CCCFA, which are incurred by CCCFA with respect to the Bonds, the Indenture, or the Clean Energy Project, including but not limited to those relating to the administration of the Trust Estate and compliance by CCCFA with its continuing disclosure obligations, if any, with respect to the Bonds; and (f) the costs of any insurance premiums incurred by CCCFA, including, without limitation, directors and officers liability insurance allocable to the Clean Energy Project; provided that, for purposes of the transfers from the Revenue Fund described under the heading "*Flow of Funds*", Operating Expenses shall not include any of the foregoing administrative expenses, fees or other costs described in the foregoing clauses (a) through (f) that are paid from funds on deposit in the Administrative Fee Fund Commodity Swap Payments, litigation judgments and settlements and indemnification payments in connection with the payment of any litigation judgment or settlement, and Extraordinary Expenses are not Operating Expenses.

"Operating Fund" means the Operating Fund established pursuant to the Indenture.

"Opinion of Bond Counsel" means a written opinion of either Bond Counsel or Special Tax Counsel (or written opinions of both of them) addressed to CCCFA and delivered to the Trustee.

"Opinion of Counsel" means an opinion signed by an attorney or firm of attorneys (who may be counsel to CCCFA) selected by CCCFA.

"Outstanding" when used with reference to Bonds, means as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

(a) Bonds cancelled (or portions thereof deemed to have been cancelled) by the Trustee at or prior to such date;

(b) Bonds (or portions of Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the

date of maturity or redemption date, shall be held in trust under the Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided* that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Indenture;

(c) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Indenture;

(d) Bonds paid or deemed to have been paid as provided in the Indenture; and

(e) Bonds (or portions thereof) deemed to have been purchased pursuant to the provisions of any Supplemental Indenture in lieu of which other Bonds have been authenticated and delivered as provided in such Supplemental Indenture.

"*Outstanding Sold Receivables*" means, in respect of the Project Participant, Put Receivables that have been sold to the Energy Supplier pursuant to the Receivables Purchase Provisions, together with any interest accrued thereon pursuant to the Receivables Purchase Provisions, less any such Put Receivables and interest thereon that has been previously paid or repurchased from the Energy Supplier pursuant to the Receivables Purchase Provisions.

"*Participant Custodial Agreement*" means that certain Custodial Agreement, dated as of [_____ __], 2023, by and among the Project Participant, CCCFA, MSES, MSCG and the Participant Custodian.

"*Participant Custodian*" means The Bank of New York Mellon Trust Company, N.A., a national banking association.

"Paying Agent" means the Trustee, its successors and assigns, and any other bank or trust company organized under the laws of any state of the United States of America or any national banking association designated as paying agent for the Bonds, and its successor or successors hereafter appointed in the manner provided in the Indenture.

"Payment Deficiency Fixed Baseline" means, for any Month, the amount the Project Participant would have been required to pay for such Month under its Power Supply Contract if the Contract Price for such Month had been determined using an Index Price (as defined under its Power Supply Contract) for such Month equal to the Fixed Price (as defined under the Commodity Swap) for such Month.

"Payment Deficiency Index Baseline" means, for any Month, the amount required to be paid by the Project Participant for such Month under its Power Supply Contract.

"PCC1 Product" means bundled renewable energy and RECs meeting the requirements of Portfolio Content Category 1 to be delivered to MSCG, the Energy Supplier or any successors thereto pursuant to any Assigned Rights and Obligations.

"Person" (a) as defined in the Indenture, means any and all natural persons, firms, associations, corporations and public bodies, and (b) as defined in the Power Supply Contract, means any individual, limited liability company, corporation, partnership, joint venture, trust, unincorporated organization or Government Agency.

"Pledged Funds" means (a) the Project Fund, (b) the Revenue Fund, (c) the Debt Service Fund, (d) the General Reserve Fund, (e) the Assignment Payment Fund and (f) the Commodity Swap Payment

Fund, in each case including the Accounts in each of such Funds and in the case of the Commodity Swap Payment Fund, subject to the prior pledge thereof in favor of the Commodity Swap Counterparty.

"Portfolio Content Category 1" means any Renewable Energy Credit associated with the generation of electricity from an "Eligible Renewable Energy Resource" consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

"Power Supply Contract" means (a) each of the contracts for the sale by CCCFA of Energy from or attributable to the Clean Energy Project to the Project Participant, as such contracts may be amended from time to time in accordance with the terms thereof and the Indenture, and (b) any other contract for the sale by CCCFA of Energy from or attributable to the Clean Energy Project entered into by a Person that becomes a Project Participant in accordance with the assignment and novation requirements set forth in the Indenture, as such contract may be amended from time to time in accordance with the terms thereof and the Indenture.

"*PPA Assignee*" means MSCG or, to the extent that MSCG is a PPA Supplier under the applicable Assigned PPA, MSES, in each case in its capacity as the limited assignee under the applicable Assignment Agreement.

"*PPA Assignee Resettlement Amount*" means, in respect of any PPA Monthly Statement, that (a) is delivered after the delivery of the Billing Statement under the Power Supply Contract for such Month and (b) reflects a quantity of Assigned Product less than the Monthly Projected Quantity was delivered in such Month under the relevant Assigned PPA, an amount equal to the product of (x) the Monthly Projected Quantity for such Month minus the quantity of Assigned Products actually delivered under the Assigned PPA in such Month, multiplied by (y) the Day-Ahead Market Price during the Initial EPS Energy Period and the Day-Ahead Average Price during any subsequent EPS Energy Period; provided that, notwithstanding the foregoing, there shall be no PPA Assignee Resettlement Amount or any other obligations of PPA Assignee with respect to quantities of Assigned Product delivered in excess of the Annual Quantity in any Contract Year.

"PPA Custodial Agreement" means that certain Custodial Agreement, dated as of the date of issuance of the Bonds, by and among the Project Participant, the Energy Supplier, MSCG, CCCFA, and The Bank of New York Mellon Trust Company, N.A., as custodian, as the same may be amended, modified or supplemented from time to time.

"*PPA Monthly Statement*" means the monthly consolidated invoice delivered to PPA Assignee and Project Participant consistent with the terms of the applicable Assignment Agreement.

"PPA Supplier" means the Initial PPA Supplier and any subsequent supplier who enters into an Assignment Agreement consistent with the Assignment Letter Agreements.

"PPT" means Pacific Daylight Time when such time is applicable and otherwise means Pacific Standard Time.

"*Prepaid Clean Energy Project Administration Agreement*" means the Prepaid Clean Energy Project Administration Agreement by and between CCCFA and the Project Participant, as the same may be amended from time to time.

"Principal Installment" means, as of any date of calculation, (a) the principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established, or (b) the

unsatisfied balance (determined as provided in Section 5.10(c) of the Indenture) of any Sinking Fund Installments due on a certain future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments.

"Project Administration Fee" means the annual fee payable by the Project Participant under its Power Supply Contract for the payment of Operating Expenses of CCCFA.

"Project Fund" means the Project Fund established under the Indenture.

"Project Participant" means (a) SVCE and (b) any other Person that enters into a Power Supply Contract with CCCFA in accordance with the assignment and novation requirements set forth in the Indenture.

"PSC Remarketing Election" means, with respect to any Power Supply Contract, that the relevant Project Participant delivered a Remarketing Election Notice (as defined thereunder) for any Reset Period.

"Public Agency" means a state, a governmental or political subdivision of a state and a corporate instrumentality or public corporation of a state or a subdivision of a state, including without limitation any of their departments or agencies, counties, county boards of education, county superintendents of schools, cities, public corporations, public districts, public commissions or joint powers authorities.

"Put Receivable" has the meaning set forth in the Receivables Purchase Provisions.

"Qualified Investments" means any of the following investments, if and to the extent that the same are rated (or whose financial obligations to CCCFA receive credit support from an entity rated) at least at the lower of (a) "A1" by Moody's and (b) the credit rating of the Energy Supplier, or, if the Energy Supplier is not rated, the guarantor of the Energy Supplier (except for (c) below), and are at the time authorized for such purpose by law:

(a) Direct obligations of the United States government or any of its agencies;

(b) Obligations guaranteed as to principal and interest by the United States government or any of its agencies;

(c) Certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and CCCFA, and other evidences of deposit at state and federally chartered banks, savings and loan institutions or savings banks, including the Trustee or any of its affiliates (each having the highest short term rating by each Rating Agency then rating the Bonds) deposited and collateralized as required by law;

(d) Repurchase agreements entered into with the United States or its agencies or with any bank, broker dealer or other such entity, including the Trustee and its affiliates, so long as the obligation of the obligated party is secured by a perfected pledge of obligations that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(e) Guaranteed investment contracts, forward delivery agreements, interest rate exchange agreements or similar agreements providing for a specified rate of return over a specified time period; *provided, however,* that guaranteed investment contracts, forward delivery agreements or similar agreements shall meet the conditions set forth in the preamble to this definition of Qualified Investments;

(f) Direct general obligations of a state of the United States, or a political subdivision or instrumentality thereof, having general taxing powers;

(g) Obligations of any state of the United States or a political subdivision or instrumentality thereof, secured solely by revenues received by or on behalf of the state or political subdivision or instrumentality thereof irrevocably pledged to the payment of principal of and interest on such obligations and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

(h) Money market funds registered under the federal Investment Company Act of 1940, whose shares are registered under the federal Securities Act of 1933, and having a rating in the highest Rating Category by each Rating Agency at the time of investment, including money market funds of the Trustee and funds for which the Trustee or its affiliates (i) provide investment or other management services and (ii) serve as investment manager, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (A) the Trustee or its affiliate receives or collects fees from such funds for services rendered, and (B) services performed by the Trustee pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliate; or

(i) Any other investments permitted by applicable law for the investment of the funds of CCCFA and that meet the conditions set forth in the preamble to this definition of Qualified Investments;

provided, that CCCFA shall monitor, or shall cause to be monitored, ratings and shall determine whether any investment made is or continues to be a Qualified Investment, and the Trustee shall have no responsibility whatsoever for monitoring ratings or determining whether any investment is or continues to be a Qualified Investment.

"Rating Agency" means Fitch, Moody's or S&P, or any other rating agency so designated in a Supplemental Indenture that, at the time, rates the Bonds.

"Rating Category" means one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier, a plus or minus, or otherwise.

"*Rebate Payments*" means those portions of moneys or securities held in any Fund or Account that are required to be paid to the United States Treasury Department under the requirements of Section 148(f) of the Internal Revenue Code.

"Re-Pricing Agreement" means the Re-Pricing Agreement, dated as of the date of issuance of the Bonds, by and between CCCFA and the Energy Supplier.

"Real-Time Market Price" means The Five Minute Market (FMM) Locational Marginal Price for the Energy Delivery Point for each applicable interval as published by CAISO, or as such price may be corrected or revised from time to time by such independent system operator or other entity in accordance with its rules.

"Redemption Account" means the Redemption Account in the Debt Service Fund established in the Indenture.

"Redemption Price" means, with respect to any Bond, the amount payable upon redemption thereof pursuant to such Bond or the Indenture.

"*Remarketing Proceeds Account*" means the Account by that name within the Bond Purchase Fund.

"*Remarketing Provisions*" means the electricity remarketing provisions set forth in Exhibit C to the Energy Purchase Agreement.

"Renewable Energy Credit" or *"REC"* has the meaning specified for "Renewable Energy Credit" in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

"Reset Period" means each "Reset Period" under the Re-Pricing Agreement.

"Reset Period" means Initial Reset Period or Reset Period, as the case may be, each as defined in the Re-Pricing Agreement.

"*Retained Payment Amount*" means in respect of each PPA Monthly Statement, an amount equal to all amounts owed to the applicable PPA Supplier for such Month, less (b) the sum of the Delivered Product Payment Amount and the PPA Assignee Resettlement Amount, if any.

"Responsible Officer" means, when used with respect to the Trustee, the Custodian or the Calculation Agent, as applicable, any managing director, president, vice president, senior associate, associate or other officer of the Trustee, the Custodian or the Calculation Agent, respectively, within its designated corporate trust office for delivery of notice specified in Section 12.11 of the Indenture (or any successor corporate trust office) customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at such office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of the Indenture.

"Revenue Fund" means the Revenue Fund established under the Indenture.

"Revenues" means:

(a) all revenues, income, rents, user fees or charges, and receipts derived or to be derived by CCCFA from or attributable or relating to the ownership and operation of the Clean Energy Project, including all revenues attributable or relating to the Clean Energy Project or to the payment of the costs thereof received or to be received by CCCFA under the Power Supply Contracts and the Energy Purchase Agreement or otherwise payable to the Trustee for the account of CCCFA for the sale and/or transmission of Energy or otherwise with respect to the Clean Energy Project;

(b) interest received or to be received on any moneys or securities (other than moneys or securities held in the Project Fund, moneys or securities held in the Redemption Account in the Debt Service Fund or that portion of moneys in the Operating Fund required for Rebate Payments) held pursuant to the Indenture and paid or required to be paid into the Revenue Fund;

(c) any Commodity Swap Receipts received by the Trustee on behalf of CCCFA; and

(d) any Subsidy Payments received by the Trustee, on behalf of CCCFA, in accordance with the Indenture.

provided that, the term "Revenues" shall not include: (u) any Termination Payment pursuant to the Energy Purchase Agreement; (v) any amounts received from the Energy Supplier that are required to be deposited into the Energy Remarketing Reserve Fund pursuant to Section 5.11 of the Indenture; (w) any amounts paid by the Project Participant under the Prepaid Clean Energy Project Administration Agreement; (x) any

Assignment Payment received from the Energy Supplier; (y) Interest Rate Swap Receipts; and (z) amounts paid by the Project Participant in respect of the Project Administration Fee.

"S&P" means S&P Global Ratings, a division of S&P Global Inc., its successors and assigns, and, if such entity shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by CCCFA in a Written Notice delivered to the Trustee.

"Schedule", *"Scheduled"* or *"Scheduling"* means the actions of the Energy Supplier, CCCFA, the Project Participant and/or their designated representatives, including their respective Transmission Providers, if applicable, of notifying, requesting and confirming to each other the quantity of Energy to be delivered during any given portion of the Delivery Period at a specified Delivery Point.

"Scheduled Debt Service Deposits" means the required monthly deposits to the Debt Service Account in the Debt Service Fund and the required cumulative deposits to the Debt Service Account in the Debt Service Fund in respect of the Debt Service coming due on the Bonds on each Bond Payment Date.

"Securities Depository" means DTC, or its nominee, and its successors and assigns.

"*Series 2023[_] Bonds*" or "*Bonds*" means the Clean Energy Project Revenue Bonds, Series 2023[_]-1, Series 2023[_]-2 and Series 2023[_]-3.

"SIFMA Index" means the SIFMA Municipal Swap Index, which, for purposes of an Index Rate Reset Date for a Series of Bonds bearing interest at a SIFMA Index Rate, will be the level of such index which is issued weekly and which is compiled from the weekly interest rate resets of tax exempt variable rate issues included in a database maintained by Refinitiv which meet specific criteria established from time to time by SIFMA and issued on Wednesday of each week, or if any Wednesday is not a Business Day, the next succeeding Business Day, such date being the same day the SIFMA Swap Index is expected to be published or otherwise made available to the Calculation Agent. If the SIFMA Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date selected and designated by CCCFA in compliance with the Indenture.

"SIFMA Index Rate" means a per annum rate of interest equal to the sum of (a) the SIFMA Index then in effect, plus (b) the Applicable Spread.

"SIFMA Index Rate Period" means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SIFMA Index Rate.

"Sinking Fund Installment" means, for the Series 2023[_] Bonds, the amounts so designated in the Indenture.

"*SOFR Accrual Period*" means (a) the number of actual days from and including the Initial Issue Date to but not including the first SOFR Interest Calculation Date and (b) thereafter, the number of actual days from and including the preceding SOFR Interest Calculation Date to but not including the next succeeding SOFR Interest Calculation Date, regardless of the number of days in any Month.

"*SOFR Effective Date*" means each Business Day. Each SOFR Effective Date is an Index Rate Reset Date for all purposes of the Indenture unless the context clearly requires otherwise.

"*SOFR Effective Period*" means the number of actual days from a SOFR Effective Date to but not including the next SOFR Effective Date.

"*SOFR Index*" means the "Secured Overnight Financing Rate" reported on the NY Federal Reserve's Website, or reported by any successor to the NY Federal Reserve Bank of New York as administrator of such Secured Overnight Financing Rate, as of 3:00 p.m. on each SOFR Publish Date representing the SOFR Index as of the SOFR Lookback Date, which will be used to calculate interest for the SOFR Effective Period beginning on the SOFR Effective Date. If the SOFR Index is not available as of any Index Rate Reset Date, the interest rate for such Index Rate Reset Date will be determined using a comparable substitute or replacement index for such Index Rate Reset Date designated by CCCFA in writing (with notice to, and which is available to, the Calculation Agent) in compliance with the Indenture.

"*SOFR Index Rate*" means a daily variable interest rate equal to the sum of (1) the product of the SOFR Index and the Applicable Factor, plus (2) the Applicable Spread on each day of a SOFR Effective Period, but not less than the Minimum Rate and not greater than the Maximum Rate.

"*SOFR Index Rate Period*" means, with respect to a Series of Bonds, an Index Rate Period during which such Bonds bear interest at the SOFR Index Rate.

"*SOFR Interest Calculation Date*" means the first Business Day of each Month, commencing with the first Business Day of [_____] 202[_].

"*SOFR Lookback Date*" means the third Business Day immediately preceding each SOFR Effective Date.

"*SOFR Publish Date*" means the second Business Day immediately preceding each SOFR Effective Date.

"Special Tax Counsel" means Ballard Spahr LLP or any other counsel of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States, and selected by CCCFA. Bond Counsel may serve as Special Tax Counsel.

"Specified Discount" means the amount specified in the Prepaid Energy Sales Agreement.

"State" means the State of California.

"*Subsidy Payments*" means, with respect to a Series of Bonds issued under a provision in the Internal Revenue Code that creates a direct-pay subsidy program, the amounts relating to such Series of Bonds which are payable by the federal government under the applicable provision of the Internal Revenue Code which CCCFA has elected to receive under the applicable provisions of the Internal Revenue Code.

"Supplemental Indenture" means any indenture supplemental to or amendatory of the Indenture executed and delivered by CCCFA and the Trustee in accordance with the Indenture.

"*SVCE*" means Silicon Valley Clean Energy Authority, a joint powers authority organized pursuant to Act.

"*Swap Payment Deficiency*" means, as of any date, (a) the amount of the next Commodity Swap Payment expected to become due, minus (b) the amount on deposit in the Commodity Swap Payment Fund;

provided, however, that if such difference is a negative number, then the Swap Payment Deficiency shall be zero.

"Tax Agreement" means the Tax Certificate and Agreement of CCCFA with respect to the Bonds dated as of the initial issue date of the Bonds.

"Termination Payment" means, with respect to any Early Termination Payment Date, the amount specified in the Prepaid Energy Sales Agreement for the calendar month in which such Early Termination Payment Date occurs (as adjusted by any applicable Termination Payment Adjustment Amount) without any set-off or netting of amounts then due from CCCFA.

"*Transmission Provider(s)*" means any entity or entities transmitting or transporting Energy on behalf of the Project Participant, CCCFA or the Energy Supplier to or from the Delivery Point.

"Trustee" means The Bank of New York Mellon Trust Company, N.A. and its successor or successors and any other corporation or national banking association which may at any time be substituted in its place pursuant to the Indenture.

"Trust Estate" means (a) the proceeds of the sale of the Bonds, (b) all right, title and interest of CCCFA in, to and under the Power Supply Contract, except for the right to receive the Project Administration Fee, (c) the Revenues, (d) any Termination Payment or the right to receive such Termination Payment (e) all right, title and interest of CCCFA in, to and under the Receivables Purchase Provisions, including payments received from the Energy Supplier pursuant thereto, (f) all right, title and interest of CCCFA in, to and under the Energy Supplier Guaranty, (g) all right, title and interest of CCCFA in, to and under each Interest Rate Swap and the Interest Rate Swap Receipts, (h) all right, title and interest of CCCFA in, to and under any Debt Service Fund Agreement and Debt Service Fund Agreement Guaranty and (i) the Pledged Funds (which does not include the Administrative Fee Fund, the Energy Remarketing Reserve Fund and the Bond Purchase Fund, and excluding Rebate Payments held in any Fund or Account), including the investment income, if any, thereof subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein.

"Weekly Interest Rate" means, with respect to a Series of Bonds, a variable interest rate established for such Bonds in accordance with the Indenture.

"Weekly Interest Rate Period" means, with respect to a Series of Bonds, each period during which a Weekly Interest Rate is in effect for such Series of Bonds.

"Written Certificate," "Written Direction," "Written Instrument," "Written Notice," "Written Request" and *"Written Statement"* of CCCFA means in each case an instrument in writing signed on behalf of CCCFA by an Authorized Officer thereof. Any such instrument and any supporting opinions or certificates may, but need not, be combined in a single instrument with any other instrument, opinion or certificate, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or certificate of counsel, consultants, accountants or engineers, unless the Authorized Officer signing such Written Certificate, Direction, Instrument, Notice, Request or Statement knows, or in the exercise of reasonable care should know, that the opinion or certificate with respect to the matters upon which such Written Certificate, Direction, Instrument, Notice, Request or Statement may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel, consultant, accountant or engineer, as the case may be, need not certify to all of the matters required to be certified under any provision of the Indenture, but different Authorized Officers, counsel, consultants, accountants or engineers may certify to different facts, respectively. Every Written Certificate, Direction, Instrument Notice,

Request or Statement of CCCFA, and every certificate or opinion of counsel, consultants, accountants or engineers provided for herein shall include:

(a) a statement that the person making such certificate, direction, instrument, notice, request, statement or opinion has read the pertinent provisions of the Indenture to which such certificate, direction, notice, request, statement or opinion relates;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the certificate, direction, instrument, notice, request, statement or opinion is based;

(c) a statement that, in the opinion of such person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion with respect to the subject matter referred to in the instrument to which his or her signature is affixed; and

(d) with respect to any statement relating to compliance with any provision hereof, a statement whether or not, in the opinion of such person, such provision has been complied with.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture pertaining to the Bonds. Such summary does not purport to be complete and reference is made to the Indenture for full and complete statements of all provisions of the Indenture.

DEFINITIONS

See "DEFINITIONS OF CERTAIN TERMS" in APPENDIX B for the definitions of terms used but not otherwise defined in this APPENDIX C.

SUBSEQUENT INTEREST RATE PERIODS

As provided in the Indenture, the term of each Series of Bonds will be divided into consecutive Interest Rate Periods during each of which such Bonds shall bear interest at the Daily Interest Rate, the Weekly Interest Rate, CP Interest Term Rates, Term Rates or an Index Rate; *provided, however*, that the Interest Rate Period shall be the same for all Bonds of a Series, and, notwithstanding anything in the Indenture to the contrary, no Bond shall bear interest in excess of the Maximum Rate.

(Section 2.04)

TERM RATE PERIOD

(a) *Determination of Term Rates*. For each Term Rate Period for a Series of Bonds, (i) the Issuer may by Written Notice to the Trustee delivered in connection with a Term Rate Conversion Date establish one or more Maturity Dates for the Bonds of such Series and Sinking Fund Installments for any maturities of the Bonds of such Series, and (ii) each maturity of the Bonds of such Series shall bear interest at a Term Rate; provided that the Term Rate, Maturity Dates and Sinking Fund Installments for each maturity of Bonds of any Series upon initial issuance of such Bonds, if any, shall be specified in the Indenture or a Supplemental Indenture providing for the issuance of such Series of Bonds. The Term Rate for each maturity of Bonds of a Series bearing interest in the Term Rate Period shall be determined by the Underwriter or the Remarketing Agent, as applicable, on a Business Day no later than the Issue Date or the Term Rate Conversion Date for such Series of Bonds, as applicable. Subject to the provisions of the Indenture described in paragraph (d) below, each Term Rate shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the minimum interest rate which, if borne by the Bonds of the applicable Series and maturity, would enable the Underwriter or the Remarketing Agent, as the case may be, to sell such Bonds and maturity on such date at a price (without regard to accrued interest) equal to 100% of the principal amount thereof. If, for any reason, with respect to any Series of Bonds being converted to a Term Rate Period, the Term Rate for such Term Rate Period is not determined by the Remarketing Agent on or prior to the first day of such Term Rate Period, then the Interest Rate Period for the Bonds of the applicable Series shall be a Weekly Interest Rate Period and such Weekly Interest Rate Period shall continue until such time as the Interest Rate Period for such Series of Bonds shall have been converted to a Daily Interest Rate Period, a Commercial Paper Interest Rate Period, a Term Rate Period or an Index Rate Period as provided in the Indenture.

(b) *Conversion to or Continuation of Term Rate Period*. Subject to the provisions of the Indenture, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at Term Rates. Such direction of the Issuer shall specify (i) the proposed effective date of the Term Rate Period, which date shall

be a Business Day not earlier than the 30th day following receipt by the Trustee of such Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to the provisions of the Indenture or an applicable Supplemental Indenture; (ii) the last day of such Term Rate Period, which day shall be either the day immediately prior to the Final Maturity Date for the applicable Series of Bonds, or a day which both immediately precedes a Business Day and is at least one hundred eighty one (181) days after the effective date of the Term Rate Period; and (iii) with respect to any such Term Rate Period, may specify redemption prices and periods different than those set forth in the Indenture or the applicable Supplemental Indenture providing for the issuance of such Series of Bonds, subject to the Favorable Opinion of Bond Counsel as provided in the provisions of the Indenture described in this paragraph. In addition, such direction shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date and by a form of the notice to be mailed by the Trustee as provided in the provisions of the Indenture described in paragraph (c) below. Upon Conversion of any Series of Bonds to the Term Rate Period and until the day immediately preceding the effective date of the next succeeding Interest Rate Period under the terms of the Indenture, the interest rate or rates borne by such Series of Bonds shall be Term Rates as provided in the Indenture. The day following the last day of any Term Rate Period for a Series of Bonds shall be a Term Rate Tender Date for such Series of Bonds. After the Final Fixed Rate Conversion Date for a Series of Bonds, the Bonds of such Series shall no longer be subject to or have the benefit of the provisions of the Indenture.

(c) *Notice of Conversion to or Continuation of Term Rate*. Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Term Rate Period as provided in in the provisions of the Indenture described in paragraph (b) above, the Trustee shall give notice by first-class mail of the Conversion of such Bonds to bear interest in a (or the establishment of another) Term Rate Period for a Series of Bonds to the Owners of the Bonds of such Series not less than thirty (30) days prior to the proposed effective date of such Term Rate Period. Such notice shall state: (i) that the Interest Rate Period for such Bonds shall be converted to, or continue to be, a Term Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in the Indenture or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the Term Rate Conversion Date; (ii) that such Bonds are subject to mandatory tender for purchase on the Term Rate Conversion Date and setting forth the applicable Purchase Price and the place of delivery for purchase of such Bonds; (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to a Term Rate Period as provided in the Indenture; and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

(d) *Sale at Premium or Discount*. Notwithstanding the provisions of the Indenture described in paragraph (a) above, the Term Rate for each maturity of any Series of Bonds as initially issued, or the Term Rate for each maturity of any other Series of Bonds upon Conversion to a Term Rate Period, shall be the rate of interest per annum determined by the Underwriter or the Remarketing Agent, as applicable, to be the interest rate which, if borne by the Bonds of such Series and maturity, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds of such Series and maturity at a price (without regard to accrued interest) which will result in the lowest net interest cost for the Bonds of such Series and maturity, after taking into account any premium or discount at which the Bonds of such Series and maturity are sold by the Underwriter or the Remarketing Agent, as applicable, provided that (i) The Underwriter or the Remarketing Agent, as applicable, certifies in writing to the Trustee and the Issuer that the sale of the Bonds of such Series at the interest rate and premium or discount specified by the Underwriter or the Remarketing Agent, as applicable, is expected to result in the lowest net interest cost for such Bonds;

(i) The Issuer consents in writing to the sale of the Bonds of such Series at such premium or discount;

(ii) In the case of the Bonds of such Series to be sold at a premium, the Underwriter or the Remarketing Agent, as applicable, shall transfer the amount of such premium to the Trustee for deposit into such Funds and Accounts as shall be specified in a Written Direction of the Issuer;

(iii) On or before the date of determination of the Term Rates for the Bonds of such Series, the Issuer delivers to the Trustee and the Remarketing Agent a form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Term Rate Conversion Date; and

(iv) On or before the Conversion Date, a Favorable Opinion of Bond Counsel shall have been delivered to the Trustee.

(Section 2.07)

INDEX RATE PERIODS

(a) *Determination of Applicable Spread and Applicable Factor*. In connection with the issuance of a Series of Bonds bearing interest in an Index Rate Period, the Applicable Spread and any Applicable Factor applicable to such Series of Bonds for the duration of the initial Index Rate Period for such Series of Bonds shall be specified in the Indenture or in the Supplemental Indenture providing for the issuance of such Series of Bonds. In connection with the Conversion of the Interest Rate Period for a Series of Bonds to an Index Rate Period, the Remarketing Agent shall determine the Applicable Spread and any Applicable Factor applicable to such Bonds for the duration of the applicable Index Rate Period, and shall specify such Applicable Spread and any Applicable Factor selected by the Issuer in the Index Rate Determination Certificate for the applicable Index Rate Period. The Applicable Spread and any Applicable Factor shall be such amount as shall result in the minimum Index Rate (as a rate of interest per annum) which, if borne by the Bonds of the applicable Series as of the first day of the applicable Index Rate Period, under Prevailing Market Conditions, would enable the Underwriter or the Remarketing Agent, as applicable, to sell the Bonds on the first day of the applicable Index Rate Period at a price (without regard to accrued interest) equal to 100% of the principal amount thereof.

(b) Determination of Index Rate.

(i) During each Index Rate Period for a Series of Bonds, such Bonds shall bear interest at an Index Rate, as specified in the applicable Index Rate Determination Certificate delivered to the Trustee on the first day of such Interest Rate Period. One Business Day prior to the Initial Issue Date of the Series 2023[_]-2 Bonds, the SIFMA Index Rate shall be calculated by the Calculation Agent, and one Business Day prior to the Initial Issue Date of the Series 2023[_]-3 Bonds, the SOFR Index Rate shall be calculated by the Calculation Agent, and each shall be in effect from and including the Initial Issue Date to (but not including) the first Index Rate Reset Date.

(ii) With respect to each SIFMA Index Rate Period, (A) the Calculation Agent shall determine the SIFMA Index by 4:00 p.m., New York City time, on each Wednesday or, if such Wednesday is not a Business Day, the Business Day immediately succeeding such Wednesday, and (B) the SIFMA Index Rate shall be determined by the Calculation Agent at or before 12:00 noon, New York City time, on each Index Rate Reset Date.

(iii) With respect to each SOFR Index Rate Period, the Calculation Agent shall (A) determine and provide to the Trustee by Electronic Means the SOFR Index by 4:00 p.m., New

York City time, on each SOFR Publish Date, and (B) determine and provide to the Trustee by Electronic Means the SOFR Index Rate by 12:00 noon, New York City time, on each SOFR Effective Date.

(iv) During any Index Rate Period, interest shall be computed on the basis of a 365- or 366-day year and actual days elapsed. The Calculation Agent shall calculate and provide by Electronic Means to the Issuer and the Trustee the amount of interest due and payable on each Series of Bonds bearing interest at an Index (A) with respect to a Series of Bonds bearing interest at the SIFMA Index Rate, on or prior to each Interest Payment Date, and (B) with respect to a Series of Bonds bearing interest at the SOFR Index Rate, on each Interest Payment Date, which in case of a Series of Bonds bearing interest at the SOFR Index Rate shall be the SOFR Interest Calculation Date. The amount of interest due on a Series of Bonds bearing interest at the SIFMA Index Rate on any Interest Payment Date shall be calculated on the basis of the actual number of days in the calendar month immediately preceding such Interest Payment Date. The amount of interest due on a Series of Bonds bearing interest at the SOFR Index Rate on any Interest Payment Date shall be calculated on the basis of the actual number of days in the SOFR Accrual Period immediately preceding such Interest Payment Date. All percentages resulting from any step in the calculation of interest on a Series of Bonds while in an Index Rate Period will be rounded, if necessary to the nearest one millionth of a percentage point (*i.e.*, to six decimal places, with 0.0000005 being rounded up to 0.000001) and all dollar amounts used in or resulting from such calculation of interest on such Bonds while in an Index Rate Period will be rounded to the nearest cent (with one-half cent being rounded upward).

(v) In determining the interest rate that any Bond shall bear as described in this section entitled "Index Rate Periods," neither the Underwriter nor the Remarketing Agent, as applicable, the Calculation Agent, nor the Trustee shall have any liability to the Issuer or the Holder of such Bond, except for its own negligence or willful misconduct.

(vi) If, during any Index Rate Period, the Index or rate used to determine an Index Rate is not reported by the relevant source at the time necessary for determination of such Index Rate or otherwise ceases to be available, the Issuer or its independent financial advisor (as applicable) shall determine a replacement or substitute Index Rate (as applicable), including any alternative rate and any adjustments, and promptly provide the same via Electronic Means to the Calculation Agent and the Trustee, together with the effective date of the substitute or replacement Index Rate, which substitute or replacement must be consistent with any corresponding substitute or replacement index designated pursuant to the relevant Interest Rate Swap.

(c) *Conversion to or Continuation of Index Rate Period*. Subject to the provisions of the Indenture relating to notices of conversion, at any time, the Issuer, in a Written Direction of the Issuer delivered to the Trustee and the Remarketing Agent (if any), may elect that a Series of Bonds shall bear interest at an Index Rate. Such direction of the Issuer shall specify the proposed effective date of the Index Rate Period, which date shall be a Business Day not earlier than the 30th day following the second Business Day after receipt by the Trustee of the Written Direction of the Issuer, and either (A) in the case of a Conversion from a Commercial Paper Interest Rate Period, an Index Rate Period or a Term Rate Period, the day immediately following the last day of such Interest Rate Period, or (B) a day on which all of the Outstanding Bonds of such Series are subject to optional redemption pursuant to the Indenture or an applicable Supplemental Indenture, with such right to be exercised by delivery of an Index Rate Continuation Notice; (ii) the last day of such Index Rate Period, which day shall be either the day immediately prior to the Final Maturity Date for the applicable Series of Bonds, or a day which immediately precedes a Business Day. In addition, such direction of the Issuer shall be accompanied by the form of a Favorable Opinion of Bond Counsel proposed to be delivered on the Conversion Date and a form of the

notice to be mailed by the Trustee pursuant to the provisions of the Indenture described in paragraph (d) below.

(d) *Notice of Conversion to or Continuation of Index Rate*. Following timely receipt of a Written Direction of the Issuer directing the Conversion of a Series of Bonds to the Index Rate Period as provided in the provisions of the Indenture described in paragraph (b) above, the Trustee shall give notice by first-class mail of the Conversion of such Bonds to bear interest in a (or the establishment of another) Index Rate Period for a Series of Bonds to the Owners of the Bonds of such Series not less than thirty (30) days prior to the proposed effective date of such Index Rate Period. Such notice shall state: (i) that the Interest Rate Period for such Bonds shall be converted to, or continue to be, an Index Rate Period unless (A) the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to an Index Rate Period as provided in the Indenture or (B) Bond Counsel shall fail to deliver a Favorable Opinion of Bond Counsel as to such Conversion on the Index Rate Conversion Date; (ii) that such Bonds are subject to mandatory tender for purchase on the Index Rate Conversion Date and setting forth the applicable Purchase Price and the place of delivery for purchase of such Bonds; and (iii) that the Bonds of such Series are subject to mandatory tender for purchase on the proposed Conversion Date unless the Issuer rescinds its election to convert the Interest Rate Period for the Bonds of such Series to an Index Rate Period as provided in the Indenture; and (iv) the applicable Purchase Price and the place of delivery for purchase of such Bonds.

(Section 2.09)

PROVISIONS REGARDING INTEREST RATE SWAP

(a) In connection with the issuance of any Variable Rate Series of Bonds, or the Conversion of any Series of Bonds, to bear interest in a Daily Interest Rate Period, a Weekly Interest Rate Period, an Index Rate Period or a Commercial Paper Interest Rate Period, the Issuer shall enter into an Interest Rate Swap with an Interest Rate Swap Counterparty. The following shall apply to the Interest Rate Swap:

(i) The method for the calculation of the Interest Rate Swap Payments and Interest Rate Swap Receipts, as applicable, and the scheduled payment dates therefor are set forth in the Interest Rate Swap;

(ii) Interest Rate Swap Payments shall be made by the Trustee (for the account of the Issuer) from the Debt Service Account on parity with principal and interest payments on Bonds; and

(iii) Interest Rate Swap Receipts shall be payable directly to the Trustee (for the account of the Issuer) and shall be deposited directly into the Debt Service Account.

(b) The following shall apply with respect to restrictions on replacement and termination of the Interest Rate Swap:

(i) The Issuer agrees that it will not exercise any right to declare an early termination date under the Interest Rate Swap unless either (A) the Issuer has entered into a replacement Interest Rate Swap in accordance with clause (ii) and (iii) below, and such replacement Interest Rate Swap will be effective as of such early termination date and cover interest rate exposure from and after such early termination date, or (B) in all other cases, the Energy Purchase Agreement will terminate prior to or as of such early termination date.

(ii) The Issuer may replace the Interest Rate Swap (and any related guaranty of the Interest Rate Swap Counterparty's obligations thereunder) with a similar agreement for the same purposes with an alternate Interest Rate Swap Counterparty at any time upon delivery to the Trustee of a Rating Confirmation.

(iii) If the Interest Rate Swap is subject to termination (or, in the case of clause (B) below, is terminated) by either party in accordance with its terms, then (A) the Issuer may, subject to clause (i) above, terminate the Interest Rate Swap if the Issuer has the right to do so, and (B) the Issuer may enter into a replacement Interest Rate Swap with an alternate Interest Rate Swap Counterparty without Rating Confirmation, but only if the replacement Interest Rate Swap is identical in all material respects to the existing Interest Rate Swap, except for the identity of the Interest Rate Swap Counterparty, and (1) the alternate Interest Rate Swap Counterparty (or its credit support provider under the Interest Rate Swap) is then rated at least the lower of (a) the credit rating of the Energy Supplier, or if the Energy Supplier is not rated, the guarantor of the Energy Supplier or (b) at least as highly as the rating then assigned by each Rating Agency to the Bonds, or (2) the Interest Rate Swap Counterparty provides such collateral and security arrangements as the Issuer shall determine to be necessary.

(Section 2.13)

MANDATORY TENDER FOR PURCHASE ON CONVERSION OF INTEREST RATE PERIOD

Eligible Bonds of a Series shall be subject to mandatory tender for purchase on each Conversion Date (which shall be a Mandatory Purchase Date) at the applicable Purchase Price, payable in immediately available funds. The Purchase Price of any Bond so purchased shall be payable from the sources and in the order of priority specified in the Indenture only upon surrender of such Bond to the Trustee at its designated corporate trust office, accompanied by an instrument of transfer thereof, in form satisfactory to such Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange at or prior to 10:00 a.m., New York City time, on the date specified for such delivery as described in this paragraph or in the notice provided pursuant to the Indenture.

(Section 4.14)

GENERAL PROVISIONS RELATING TO TENDERS

(a) *Creation of Bond Purchase Fund*.

(i) There shall be created and established under the Indenture with the Trustee a fund to be designated the "Bond Purchase Fund" to be held in trust only for the benefit of the Owners of tendered Bonds who shall thereafter be restricted exclusively to the moneys held in such fund for the satisfaction of any claim for the Purchase Price of such tendered Bonds. The Bond Purchase Fund and the Accounts therein are not Pledged Funds.

(ii) There shall be created and designated under the Indenture the following Accounts with respect to each Series of Bonds within the Bond Purchase Fund: the "Remarketing Proceeds Account" and the "Issuer Purchase Account." Moneys paid to the Trustee for the purchase of tendered or deemed tendered Bonds of a Series received from (A) the Remarketing Agent shall be deposited in the Remarketing Proceeds Account for such Series in accordance with the provisions of the Indenture described under the first paragraph of "*Deposits of Funds*" below and (B) the Issuer shall be deposited in the Issuer Purchase Account in accordance with the provisions of the Indenture

described under the second paragraph of "*Deposits of Funds*" below. Moneys provided by the Issuer not required to be used in connection with the purchase of tendered Bonds shall be returned to the Issuer in accordance with the provisions of the Indenture described under "*Deposits of Funds*" and "*Disbursements; Payment of Purchase Price*" below.

(iii) Moneys in the Issuer Purchase Account and the Remarketing Proceeds Account with respect to a Series of Bonds shall not be commingled with other funds held by the Trustee and shall remain uninvested. The Issuer shall have no right, title or interest in any of the funds held on deposit in the Remarketing Proceeds Account or any remarketing proceeds held for any period of time by the Remarketing Agent.

(b) *Deposit of Bonds*. The Trustee agrees to hold all Bonds delivered to it pursuant to the Indenture in trust for the benefit of the respective Owners which shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds have been delivered to such Owner in accordance with the provisions of the Indenture and until such Bonds shall have been delivered by the Trustee in accordance with the provisions of the Indenture described under "*Delivery of Purchased Bonds*" below.

(c) *Remarketing of Bonds*.

(i) Immediately upon its receipt, but not later than noon, New York City time on the following Business Day, from an Owner of a Bond bearing interest at a Daily Interest Rate or a Weekly Interest Rate of a notice pursuant to the Indenture, the Trustee shall notify the Remarketing Agent by telephone, promptly confirmed in writing by Electronic Means, of such receipt, specifying the principal amount of Bonds for which it has received such notice, the names of the Owners thereof and the date on which such Bonds are to be purchased in accordance with the Indenture.

(ii) As soon as practicable, but in no event later than 10:15 a.m., New York City time, on a Purchase Date, the Remarketing Agent shall inform the Trustee by telephone, promptly confirmed in writing, by Electronic Means, of the principal amount of Purchased Bonds to be purchased on such date, the name, address and taxpayer identification number of each such purchaser, and the Authorized Denominations in which such Purchased Bonds are to be delivered. Upon receipt from the Remarketing Agent of such information, and in no event later than 12:30 p.m., New York City time, on the Purchase Date, the Trustee shall prepare Purchased Bonds in accordance with such information received from the Remarketing Agent for the registration of transfer and redelivery to the Remarketing Agent pursuant to "*Delivery of Purchased Bonds*" below.

(iii) Any Purchased Bonds which are subject to mandatory tender for purchase in accordance with the Indenture which are not presented to the Trustee on the Purchase Date and any Purchased Bonds which are the subject of a notice pursuant to the Indenture which are not presented to the Trustee on the Purchase Date, shall, in accordance with the provisions of the Indenture, be deemed to have been purchased upon the deposit of moneys equal to the Purchase Price thereof into any or all of the accounts of the Bond Purchase Fund.

(d) *Deposits of Funds*.

(i) The Trustee shall deposit into the Remarketing Proceeds Account for the applicable Series of Bonds any amounts received by it in immediately available funds by 12:30 p.m., New York City time, on any Purchase Date from the Remarketing Agent against receipt of Bonds by the Remarketing Agent pursuant to the provisions of the Indenture described under

"*Delivery of Purchased Bonds*" below and on account of Purchased Bonds remarketed pursuant to the terms of the Remarketing Agreement.

(ii) The Issuer may, in its sole discretion, pay to the Trustee in immediately available funds the amount equal to the difference, if any, between the total Purchase Price of Bonds to be purchased and the amount of money deposited as described in the preceding paragraph (the "*Additional Liquidity Drawing Amount*") by 12:45 p.m., New York City time. The Trustee shall deposit any Additional Liquidity Drawing Amounts into the Issuer Purchase Account for the applicable Series of Bonds.

(iii) The Trustee shall hold all proceeds received from the Remarketing Agent or the Issuer pursuant to the provisions of the Indenture described under this section entitled "*Deposits of Funds*" in trust for the tendering Owners. In holding such proceeds and moneys, the Trustee will be acting on behalf of such Owners by facilitating the purchase of the Bonds and not on behalf of the Issuer and will not be subject to the control of the Issuer. Subject to the provisions of the Indenture described under "*Disbursements; Payment of Purchase Price*" below, following the discharge of the pledge created by the Indenture or after payment in full of the Bonds, the Trustee shall pay any moneys remaining in any Account of the Bond Purchase Fund directly to the Persons for whom such money is held upon presentation of evidence reasonably satisfactory to the Trustee that such Person is rightfully entitled to such money and the Trustee shall not pay such amounts to any other Person.

(e) *Disbursements; Payment of Purchase Price*. Moneys delivered to the Trustee on a Purchase Date shall be applied at or before 1:00 p.m., New York City time, on such Purchase Date to pay the Purchase Price of Purchased Bonds of the applicable Series in immediately available funds as follows in the indicated order of application and, to the extent not so applied on such date, shall be held in the separate and segregated Accounts of the Bond Purchase Fund for the benefit of the Owners of the Purchased Bonds which were to have been purchased:

FIRST: Moneys deposited in the Remarketing Proceeds Account for the Bonds of the applicable Series; and

SECOND: Moneys deposited in the Issuer Purchase Account for the Bonds of the applicable Series.

Any moneys held by the Trustee in the Issuer Purchase Account remaining unclaimed by the Owners of the Purchased Bonds which were to have been purchased for two years after the respective Purchase Date for such Bonds shall be paid to the Issuer, upon a request in a Written Direction of the Issuer against written receipt therefor. The Owners of Purchased Bonds who have not yet claimed money in respect of such Bonds shall thereafter be entitled to look only to the Trustee, to the extent it shall hold moneys on deposit in the Bond Purchase Fund, or the Issuer to the extent moneys have been transferred in accordance with the provisions of the Indenture described in this paragraph. The Trustee shall have no obligation to advance its own funds to fund the Bond Purchase Fund or otherwise pay the Purchase Price on any Bonds.

(f) *Delivery of Purchased Bonds*.

(i) The Remarketing Agent shall give telephonic notice, promptly confirmed by a written notice, by Electronic Means, to the Trustee on each date on which Bonds shall have been purchased pursuant to the Indenture, specifying the principal amount of such Bonds, if any, sold by it and a list of such purchasers showing the names and Authorized Denominations in which such Bonds shall be registered, and the addresses and social security or taxpayer identification numbers

of such purchasers. By 12:30 p.m., New York City time, on the Purchase Date, a principal amount of Bonds equal to the amount of Purchased Bonds purchased with moneys from the Remarketing Proceeds Account shall be made available by the Trustee to the Remarketing Agent against payment therefor in immediately available funds.

(ii) A principal amount of Bonds equal to the amount of Purchased Bonds purchased from moneys on deposit in the Issuer Purchase Account shall be delivered on the day of such purchase by the Trustee to or as directed by the Issuer. The Trustee shall register such Bonds in the name of the Issuer or as otherwise directed by the Issuer.

(Section 4.15)

NOTICE OF MANDATORY TENDER FOR PURCHASE

In connection with any mandatory tender for purchase of Bonds in accordance with the Indenture, the Trustee shall give the notice (which in the case of a mandatory tender pursuant to the provisions of the Indenture described under the section entitled "Mandatory Tender for Purchase on Conversion of Interest Rate Period" above shall be given as a part of the notice given pursuant to certain provisions of the Indenture) stating: (a) that the Purchase Price of any Bond so subject to mandatory tender for purchase shall be payable only upon surrender of such Bond to the Trustee at the office specified in such notice, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, executed in blank by the Owner thereof or by the Owner's duly authorized attorney, with such signature guaranteed by a commercial bank, trust company or member firm of the New York Stock Exchange; (b) that all Bonds so subject to mandatory tender for purchase shall be purchased on the Mandatory Purchase Date, unless (i) a Failed Remarketing shall have occurred prior to such Mandatory Purchase Date, in which case such Bonds shall be redeemed rather than purchased on such Mandatory Purchase Date, or (ii) such Bonds shall have otherwise been redeemed on or prior to, or are not Outstanding as of, such Mandatory Purchase Date; and (c) that in the event that any Owner of a Bond so subject to mandatory tender for purchase shall not surrender such Bond to the Trustee for purchase on such Mandatory Purchase Date, then such Bond shall be deemed to be an Undelivered Bond, and that no interest shall accrue thereon on and after such Mandatory Purchase Date and that the Owner thereof shall have no rights under the Indenture other than to receive payment of the Purchase Price thereof. Any such notice of a mandatory tender of Bonds pursuant to the Indenture shall be given no less than thirty (30) days prior to the applicable Mandatory Purchase Date, and the Trustee shall give a conditional notice of extraordinary redemption pursuant to the Indenture no later than the applicable deadlines set forth therein to provide for the extraordinary redemption of the Bonds if a Failed Remarketing occurs prior to the Mandatory Purchase Date. No later than five (5) Business Days prior to the date on which such conditional notice of extraordinary redemption is required to be given by the Trustee pursuant to the Indenture, the Issuer shall direct the Trustee to send such conditional redemption notice pursuant to a Written Direction in the form attached to the Indenture, which Written Direction shall include the applicable Redemption Date and method(s) for calculating the Redemption Price, to be followed by notice of the Redemption Price, as provided in the Indenture.

(Section 4.16)

THE PLEDGE EFFECTED BY THE INDENTURE

The Bonds and the Interest Rate Swap are limited obligations of the Issuer payable solely from and secured as to the payment of the principal and Redemption Price thereof, and interest thereon, in accordance with their terms and the provisions of the Indenture solely by, the Trust Estate. Pursuant to the Granting Clauses of the Indenture, the Trust Estate has been conveyed, assigned and pledged to the payment of the principal and Redemption Price of and interest on the Bonds and the Interest Rate Swap Payments in

accordance with their terms, and any other senior, parity and subordinate obligations of the Issuer secured by the lien of the Indenture, subject to (i) the pledge of and lien on the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparty, and (ii) the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Trust Estate thereby pledged and assigned shall immediately be subject to the lien of such pledge without any further physical delivery thereof or other further act, and the lien of such pledge shall be a first lien and shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

None of the Bonds, the Interest Rate Swap or the Commodity Swap constitute a debt or liability of the State or of any political subdivision thereof, other than as limited obligations of the Issuer, and the Issuer shall not be obligated to pay the principal or Redemption Price of, or interest on, the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments except from the funds provided therefor under the Indenture. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof, including the Issuer, or of the Project Participant is pledged to the payment of the principal or Redemption Price of and interest on the Bonds, the Interest Rate Swap Payments or the Commodity Swap Payments. The issuance of the Bonds and the execution and delivery of the Interest Rate Swap and the Commodity Swap shall not directly or indirectly or contingently obligate the State or any political subdivision thereof to levy or to pledge any form of taxation or to make any appropriation for their payment. The Issuer has no taxing power.

Nothing contained in the Indenture shall be construed to prevent the Issuer from acquiring, constructing or financing, through the issuance of its bonds, notes or other evidences of indebtedness, any facilities or supplies of Energy other than the Clean Energy Project; provided that such bonds, notes or other evidences of indebtedness shall not be payable out of or secured by the Trust Estate or any portion thereof, and neither the cost of such facilities or supplies of Energy nor any expenditure in connection therewith or with the financing thereof shall be payable from the Trust Estate or any portion thereof.

(Section 5.01)

ESTABLISHMENT OF FUNDS AND ACCOUNTS

(a) The following Funds and Accounts are established in the Indenture, each of which shall be held by the Trustee except as indicated below:

(i) Project Fund;

(ii) Revenue Fund;

(iii) Operating Fund;

(iv) Debt Service Fund, consisting of the Debt Service Account (and within such Account, a Capitalized Interest Subaccount) and the Redemption Account;

(v) Commodity Swap Payment Fund;

(vi) General Reserve Fund;

(vii) Energy Remarketing Reserve Fund, consisting of a Remediation Account;

(viii) Assignment Payment Fund;

(ix) Bond Purchase Fund, consisting of the Issuer Purchase Account and the Remarketing Proceeds Account; and

(x) Administrative Fee Fund.

(b) Within the Funds and Accounts established under the Indenture and held by the Trustee, the Trustee may create additional Accounts in any Fund or subaccounts in any Accounts as may facilitate the administration of the Indenture. The Issuer may, by Supplemental Indenture, with the prior written approval of the Trustee, establish one or more additional accounts or subaccounts. By Supplemental Indenture, the Issuer may also (i) establish custodial accounts to be held by the Trustee as custodian to receive Revenues paid by the Project Participants under the Power Supply Contracts, and (ii) provide for the application of such amounts for transfer to the Revenue Fund and for such other purposes as may be specified therein.

(Section 5.02)

PROJECT FUND

(a) There shall be paid into the Project Fund proceeds of the Bonds in the amount specified by Written Request of the Issuer, and there may be paid into the Project Fund, at the option of the Issuer, any moneys received for or in connection with the Clean Energy Project by the Issuer from any other source, unless required to be otherwise applied as provided by the Indenture. Upon delivery of the Bonds, the Trustee shall immediately transfer from the Project Fund into the Capitalized Interest Subaccount of the Debt Service Account an amount, specified by Written Request of the Issuer, representing capitalized interest on the Bonds to the date set forth in such Written Request. Except as otherwise described in this section entitled "Project Fund," amounts in the Project Fund shall be applied by the Issuer to pay the Cost of Acquisition and any capitalized interest on the Bonds.

(b) Before any payment is made by the Trustee from the Project Fund, the Issuer shall file with the Trustee a Written Request of the Issuer, showing with respect to each payment to be made, the name of the Person to whom payment is due and the amount to be paid, and stating that the obligation to be paid was incurred and is a proper charge against the Project Fund. To the extent that the Written Request includes amounts to be paid pursuant to the Energy Purchase Agreement, copies of the invoices or requests for direct payments submitted under the Energy Purchase Agreement shall be attached to the Written Request. Each such Written Request shall be sufficient evidence to the Trustee: (i) that obligations in the stated amounts have been incurred by the Issuer and that each item thereof is a proper charge against the Project Fund; and (ii) that there has not been filed with or served upon Issuer notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the Persons named in such Written Request which has not been released or will not be released simultaneously with the payment of such obligation other than materialmen's or mechanics' liens accruing by mere operation of law.

(c) Upon receipt of each such Written Request, the Trustee shall pay the amounts set forth therein as directed by the terms thereof from the applicable Account in accordance with and subject to the applicable terms of the Indenture described in this section entitled "Project Fund."

(d) Notwithstanding any of the other provisions described in this section entitled "Project Fund," to the extent that other moneys are not available therefor, amounts in Project Fund shall be applied to the payment of principal of and interest on Bonds when due.

(e) Upon Written Direction of the Issuer, but not earlier than six months after the date of delivery of the Bonds, the Trustee shall transfer to the Revenue Fund any amounts remaining on deposit in Project Fund.

(Section 5.03)

REVENUES AND REVENUE FUND; OTHER AMOUNTS

(a) All Revenues shall be deposited promptly by the Trustee upon receipt thereof into the Revenue Fund; *provided* that, for the avoidance of doubt, if any amounts are received from a Project Participant for which Outstanding Sold Receivables exist, as identified in a written notice from the Issuer to the Trustee, the Trustee shall promptly cause any such receipts to be paid to the Energy Supplier to the extent of such Outstanding Sold Receivables without setoff of any kind in accordance with the Receivables Purchase Provisions and any remaining amounts received from such Project Participant shall be deposited into the Revenue Fund.

(b) In the event that any Specified Project Participant fails to pay the amount due under its Power Supply Contract, the Trustee shall perform the following actions on behalf of the Issuer under the Receivables Purchase Provisions: (i) provide a preliminary notice by email to the Issuer and the Energy Supplier that a Specified Project Participant will fail to make a payment as soon as practicable after becoming aware that a payment default will occur and in any event no later than the end of the calendar day on which the relevant payment default occurs, and (ii) prepare and deliver to the Energy Supplier a Put Option Notice by 12:00 p.m. New York City time on the Business Day following any such payment default. On the twenty-fourth day of the Month in which such Put Option Notice was delivered (or if such day is not a Business Day, the next Business Day following the twenty fourth day of such Month), the Trustee shall deliver to the Energy Supplier the bill of sale and certificates required by the Receivables Purchase Provisions. The Trustee is authorized under the Indenture to sell the Put Receivables then owed by the Specified Project Participants under their respective Power Supply Contracts pursuant to the Receivables Purchase Provisions and to take all actions on its part necessary in connection therewith. All amounts received by the Trustee pursuant to the Receivables Purchase Provisions in respect of Put Receivables shall be deposited in the Revenue Fund for application pursuant to the Indenture.

(c) Upon receipt of the preliminary notice from the Trustee pursuant to (b)(i) above, the Issuer shall:

(i) in consultation with the Energy Supplier, determine the amount of the Net Participant Shortfall Amount, if any, resulting from such failure to pay; and

(ii) give prompt written notice of the amounts of such Net Participant Shortfall Amount, if any, and the amount of such nonpayment and the resulting Net Participant Shortfall Amount, to the Trustee, the Energy Supplier and the Commodity Swap Counterparty.

(d) The following amounts, which are payable to the Trustee but do not constitute Revenues, shall be applied by the Trustee as follows:

(i) any Termination Payment shall be deposited directly into the Redemption Account of the Debt Service Fund as provided in the Indenture,

(ii) any Assignment Payment shall be deposited directly into the Assignment Payment Fund as provided in the Indenture,

(iii) [Reserved.];

(iv) amounts representing the Project Administration Fee, together with any amounts paid by the Project Participants under a Prepaid Clean Energy Project Administration Agreement, shall be paid as received to Issuer into the Administrative Fee Fund;

(v) any Interest Rate Swap Receipts shall be deposited directly into the Debt Service Account as provided in the Indenture; and

(vi) any amounts required by the Indenture to be deposited into the Energy Remarketing Reserve Fund shall be deposited directly therein.

(Section 5.04)

PAYMENTS FROM REVENUE FUND

(a) In each Month during which there is a deposit of Revenues into the Revenue Fund (but in no case later than the respective dates set forth below), the Trustee shall apply the amounts on deposit in the Revenue Fund, to the extent available, for credit or deposit to the Funds and Accounts indicated below, in the amounts described below (such application to be made in such a manner so as to assure good funds are available on the respective dates set forth below) in the following order of priority:

(i) [Reserved.];

(ii) To the Operating Fund, not later than the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount, if any, required so that the balance therein shall equal the amount necessary for the payment of Operating Expenses coming due for such Month;

(iii) Subject to the provisos below, to the Debt Service Fund, not later than the twenty fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day) for the credit to the Debt Service Account, an amount equal to the greater of (A) the Scheduled Debt Service Deposit, as set forth in Schedule II attached to the Indenture, or (B) the amount necessary to cause an amount equal to the cumulative unpaid Scheduled Debt Service Deposits due through such date to be on deposit therein (without credit for undisbursed Interest Rate Swap Receipts on deposit therein);

(iv) To the Commodity Swap Payment Fund, on or before the twenty-fifth day of such Month (or, if such day is not a Business Day, the next succeeding Business Day), the amount required so that the balance therein shall equal the Commodity Swap Payments due for such Month; and

(v) To the Energy Supplier, not later than the last Business Day of such Month, the amount, if any, required for the repurchase of Put Receivables and the payment of interest on all Put Receivables sold to the Energy Supplier pursuant to the Receivables Purchase Provisions;

provided, however, that if a Project Participant's payment failure results in a Net Participant Shortfall Amount for such Month, the intent is that such payment failure be allocated between the amounts that otherwise would have been deposited to the Debt Service Fund and the Commodity Swap Payment Fund. Therefore, for any Month in which a Net Participant Shortfall Amount exists, the Trustee shall reduce the amount transferred under clause (iii) above to the extent necessary such that the amount available for

transfer under clause (iv) above is not less than (A) the amount that would be required to fully fund the Commodity Swap Payments due for such Month, minus (B) the sum of all Net Participant Shortfall Amounts for such Month; and

provided further, the amount required to be transferred to the Debt Service Account pursuant to clause (iii) above shall be reduced by the amount of investment earnings scheduled to be deposited into the Debt Service Account on or before the last Business Day of such Month.

(b) If, after a scheduled monthly deposit to the Debt Service Account, the balance therein is below the cumulative Scheduled Debt Service Deposits for such month as specified on Schedule II attached to the Indenture, the Trustee shall immediately notify the Issuer of such deficiency and the Trustee shall (i) if the Issuer has not previously done so, cause the Issuer to suspend all deliveries of all quantities of Energy under the Power Supply Contract to the Project Participant that is in default thereunder, and (ii) promptly give notice to the Energy Supplier to follow the Remarketing Provisions.

(c) In each Month during which (i) there is a deposit of Revenues into the Revenue Fund and (ii) payment of a Principal Installment is due, after making such transfers, credits and deposits as required by paragraph (a) above and after the applicable Principal Installment payment date, the Trustee shall credit to the General Reserve Fund the remaining balance in the Revenue Fund.

(d) So long as there shall be held in the Debt Service Fund an amount sufficient to pay in full all Outstanding Bonds and Interest Rate Swap Payments in accordance with their terms (including principal or applicable Sinking Fund Installments and interest thereon), no transfers shall be required to be made to the Debt Service Fund.

(Section 5.05)

OPERATING FUND

(a) Amounts credited to the Operating Fund shall be applied from time to time by the Trustee to the payment of (i) first, Rebate Payments, and (ii) second, any other Operating Expenses then due and payable.

(b) Amounts credited to the Operating Fund that the Trustee, on the last Business Day of each Month, determines to be in excess of the requirements of such Fund for such Month, shall be applied to make up any deficiencies in the Debt Service Account. Any balance of such excess not required to be so applied shall be transferred to the Revenue Fund for application in accordance with the Indenture.

(Section 5.06)

DEBT SERVICE FUND – DEBT SERVICE ACCOUNT

(a) The amounts deposited into the Debt Service Account pursuant to the Indenture shall be held in such Account and applied to the payment of the Debt Service and Interest Rate Swap Payments payable on each Bond Payment Date; *provided* that, for the purposes of computing the amount to be deposited in such Account, there shall be excluded from the required deposit the amount, if any, on deposit in the Capitalized Interest Subaccount or set aside in the Debt Service Account from the proceeds of Bonds (including amounts, if any, transferred thereto from the Project Fund) for the payment of interest on the Bonds. Amounts in the Capitalized Interest Subaccount shall be applied to Debt Service prior to other monies held within the Debt Service Account.

(b) The Trustee shall pay out of the Debt Service Account to the Paying Agent: (i) on or before each Interest Payment Date, the amount required for the interest on the Bonds payable on such date; (ii) on or before each Bond Payment Date, the Interest Rate Swap Payments then due, (iii) on or before the Bond Payment Date on which a Principal Installment is due, the amount required for the Principal Installment payable on such date; and (iv) on or before any redemption date, the amount required for the payment of the Redemption Price of and accrued interest on such Bonds then to be redeemed; provided, however, that if with respect to any Bonds or portions thereof the amounts due on any such Bond Payment Date and/or redemption date are intended to be paid from a source other than amounts in the Debt Service Account prior to any application of amounts in the Debt Service Account to such payments, then the Trustee (after Written Notice from the Issuer to the Trustee that the Issuer intends to make payments from a source other than amounts in the Debt Service Account) shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and if any such amounts due are paid from such other source the Trustee shall apply the amounts in the Debt Service Account to provide reimbursement for such payment from such other source as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agent on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Account the accrued interest included in the purchase price of Bonds purchased for retirement.

(c) Amounts accumulated in the Debt Service Account with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the Issuer in a Written Request delivered not less than thirty (30) days before the due date of such Sinking Fund Installment, be applied by the Trustee to (i) the purchase of Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established, (ii) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (iii) any combination of (i) and (ii). All purchases and redemptions of any Bonds pursuant to this paragraph (c) shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Issuer shall direct the Trustee in writing. The applicable sinking fund Redemption Price (or principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such Sinking Fund Installment date, for the purpose of calculating the amount of such Account. As soon as practicable after the thirtieth (30th) day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for the redemption on such due date, by giving notice as required by the Indenture, Bonds of the Series, maturity and tenor for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment after making allowance for any Bonds purchased or redeemed pursuant to the provisions of the Indenture described under the section entitled "General Reserve Fund" below which the Issuer has directed the Trustee in writing to apply as a credit against such Sinking Fund Installment as provided in the Indenture. The Trustee shall pay out of the Debt Service Account to the Paying Agent, on or before such redemption date or maturity date, as applicable, the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption or payment, as applicable. All expenses in connection with the purchase or redemption of Bonds shall be paid by the Issuer in such manner as the Issuer shall direct the Trustee in writing from the Operating Fund.

All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee at its designated corporate trust office when such payment or redemption is made, and such Bonds, together with all Bonds purchased or redeemed pursuant to the Indenture that have been delivered to the Trustee for application as a credit against Sinking Fund Installments and all Bonds purchased by the Trustee pursuant to the provisions of the Indenture described under this section entitled "Debt Service Fund – Debt Service Account," shall thereupon be promptly cancelled (or deemed to have been cancelled).

(d) Amounts accumulated in the Debt Service Account with respect to any principal amount of Bonds due on a certain future date for which no Sinking Fund Installments have been established (together with amounts accumulated therein with respect to interest on such Bonds) shall, upon the reasonable prior Written Direction of the Issuer, be applied by the Trustee on or prior to the due date thereof, to (i) the purchase of such Bonds or (ii) the redemption at the principal amount of such Bonds, if then redeemable by their terms. All purchases and redemptions of any Bonds as described in this paragraph shall be made at prices not exceeding the principal amount of such Bonds plus accrued interest, and such purchases and redemptions shall be made in such manner as the Issuer shall determine. The principal amount of any Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Account until such due date, for the purpose of calculating the amount of such Account.

(e) The amount deposited in the Debt Service Account on the Issue Date of any Series of Bonds from the proceeds thereof shall be set aside and applied to the payment of interest on such Series of Bonds and related Interest Rate Swap Payments.

(f) In the event of the refunding or defeasance of any Bonds, the Trustee shall, if directed by the Issuer in writing, withdraw from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded or defeased; *provided,* that such withdrawal shall not be made unless immediately thereafter Bonds being refunded or defeased shall be deemed to have been paid pursuant to the Indenture. In the event of such refunding or defeasance, the Issuer may direct the Trustee to withdraw from the Debt Service Account all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Bonds being refunded or defeased and deposit such amounts in any Fund or Account under the Indenture; *provided, however*, that such withdrawal shall not be made unless the Bonds being defeased shall be deemed to have been paid pursuant to the Indenture and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Indenture.

(g) Any amount remaining in the Debt Service Account after a date for payment of a Principal Installment shall, to the extent not required to be retained therein for purposes of making future payments, be deposited in the Revenue Fund.

(Section 5.07)

DEBT SERVICE FUND – REDEMPTION ACCOUNT

(a) In the event of an early termination of the Energy Purchase Agreement, the Issuer shall direct the Energy Supplier to pay the Termination Payment directly to the Trustee for the account of the Issuer. The Trustee shall deposit the Termination Payment into the Redemption Account. Amounts deposited into the Redemption Account shall be applied by the Trustee to the redemption of Outstanding Bonds pursuant to the Indenture.

(b) Any amounts remaining on deposit in the Redemption Account following the redemption and payment of all Outstanding Bonds shall be applied by the Trustee first to pay any Swap Payment Deficiency, second to repurchase any Put Receivables owned by the Energy Supplier, and third, upon Written Direction of the Issuer to the Trustee, shall be transferred to the Revenue Fund.

(c) For the avoidance of doubt, no Extraordinary Expenses shall be paid from the Redemption Account.

(Section 5.08)

COMMODITY SWAP PAYMENT FUND

(a) Amounts credited to the Commodity Swap Payment Fund shall be applied from time to time by the Trustee to the payment of the Commodity Swap Payments when due.

(b) Any amount remaining in the Commodity Swap Payment Fund following the payment of the Commodity Swap Payment due in any Month and prior to any deposit therein for the following Month shall be transferred to the Revenue Fund for application in accordance with the Indenture.

(Section 5.09)

GENERAL RESERVE FUND

(a) The Trustee shall apply moneys on deposit in the General Reserve Fund in the following amounts and in the following order of priority: first, for deposit into the Debt Service Account, the amount necessary (or all of the moneys in the General Reserve Fund if less than the amount necessary) to make up any deficiencies in the deposits to such Account described in paragraph (a)(iii) of "Payments from Revenue Fund" above; second, for deposit into the Commodity Swap Payment Fund, the amount necessary to cause the balance therein to equal a Commodity Swap Payment that is then due; and third for deposit into the Operating Fund, the amount necessary for the payment of any Operating Expenses then due and payable and for which other funds are not available under the Indenture.

(b) Amounts on deposit in the General Reserve Fund not required to meet a deficiency or to make a deposit as provided in paragraph (a) above shall be applied by the Trustee upon the Written Request of the Issuer to the following in the order listed below:

(i) payment of Extraordinary Expenses;

(ii) payment of any fees owed pursuant to any Qualified Investments;

(iii) annual refunds to Project Participants pursuant to the Power Supply Contracts;

(iv) the purchase or redemption of Bonds and expenses in connection with the purchase or redemption of such Bonds or any reserves which the Issuer determines shall be required for such purposes; and

(v) any other lawful purpose of the Issuer under the Act;

provided, however, that, subject to the provisions of paragraph (a) of this section entitled "General Reserve Fund," amounts credited to the General Reserve Fund and required by the Indenture to be applied to the purchase or redemption of Bonds shall be applied to such purpose.

(c) If at any time Bonds of any Series, maturity and tenor for which Sinking Fund Installments shall have been established are (i) purchased or redeemed other than as described in "Debt Service Fund – Debt Service Account" above or (ii) deemed to have been paid pursuant to the Indenture and, with respect to such Bonds which have been deemed paid, irrevocable written instructions have been given by the Issuer to the Trustee to redeem or purchase the same on or prior to the due date of the Sinking Fund Installment to be credited under this paragraph (c), the Issuer may from time to time and at any time by Written Direction to the Trustee specify the portion, if any, of such Bonds so purchased, redeemed or deemed to

have been paid and not previously applied as a credit against any Sinking Fund Installment which are to be credited against future Sinking Fund Installments. Such direction shall specify the amounts of such Bonds to be applied as a credit against each Sinking Fund Installment or Installments and the particular Sinking Fund Installment or Installments against which such Bonds are to be applied as a credit; provided, however, that none of such Bonds may be applied as a credit against a Sinking Fund Installment to become due less than thirty (30) days after such written notice is delivered to the Trustee. All such Bonds to be applied as a credit shall be surrendered to the Trustee for cancellation on or prior to the due date of the Sinking Fund Installment against which they are being applied as a credit. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

(Section 5.10)

ENERGY REMARKETING RESERVE FUND

There shall be paid by the Trustee into the Remediation Account of the Energy Remarketing Reserve Fund, and within such Remediation Account the subaccount applicable to each Project Participant, the amounts, as directed in a Written Direction of the Issuer, specified in the Remarketing Provisions. In the case of a Remediation Remarketing (as defined in the Remarketing Provisions) pursuant to the Remarketing Provisions, amounts shall be released from the applicable subaccount of the Remediation Account upon such remarketing and applied pursuant to a Written Direction of the Issuer as follows: (a) if the proceeds received by the Trustee from the remarketing equal or exceed the Remediation Remarketing Purchase Price (as defined in the Remarketing Provisions), the portion of the applicable subaccount of the Remediation Account allocable to such remarketing shall be transferred to the General Reserve Fund, and (b) if the proceeds received by the Trustee from the remarketing are less than the Remediation Remarketing Purchase Price, then (x) the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund allocable to such remarketing shall be used to make a payment to the Energy Supplier in an amount equal to the excess of such Remediation Remarketing Purchase Price over such proceeds received by the Issuer from the remarketing, and (y) any remaining amounts allocable to such remarketing shall be transferred to the General Reserve Fund. For purposes of the provisions of the Indenture described in this paragraph, the portion of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund specified in writing by the Issuer to the Trustee as the amount allocable to a remarketing shall consist of the product of (i) a fraction, the numerator of which is the purchase price of the Energy to be remarketed, and the denominator of which is the aggregate amount previously received by the Issuer from the sale of such Energy in Non-Private Business Sales (as defined in the Remarketing Provisions) or Private Business Sales (as defined in the Remarketing Provisions) that, as of the time of the remarketing, has not been remediated in accordance with the Remarketing Provisions, multiplied by (ii) the balance of the applicable subaccount of the Remediation Account of the Energy Remarketing Reserve Fund at the time of the remarketing.

(Section 5.11)

ASSIGNMENT PAYMENT FUND

In connection with the issuance of Refunding Bonds, any Assignment Payment received from the Energy Supplier shall be deposited into the Assignment Payment Fund to be transferred to the replacement energy supplier, provided, however, that if the existing Bonds have not been redeemed or defeased on or before the Mandatory Purchase Date, in whole, by the Refunding Bonds, all or a portion of the Assignment Payment shall be transferred to the Trustee for deposit as directed by the Issuer in writing to the Redemption

Account pursuant to the Indenture, along with the proceeds of the Refunding Bonds, in order to redeem all of the Outstanding Bonds.

(Section 5.12)

PURCHASES OF BONDS

Except as otherwise provided in the Indenture, any purchase of Bonds (or portions thereof) by or at the direction of the Issuer pursuant to the Indenture may be made with or without tenders of Bonds and at either public or private sale, in such manner as the Issuer may determine.

(Section 5.13)

ADMINISTRATIVE FEE FUND

All Project Administration Fees, together with any amounts paid by the Project Participants pursuant to a Prepaid Clean Energy Project Administration Agreement, shall be deposited by the Trustee into the Administrative Fee Fund. The Trustee shall apply amounts on deposit in the Administrative Fee Fund to pay Operating Expenses promptly upon receipt of a Written Request of the Issuer directing such payment. In the event amounts on deposit in the Administrative Fee Fund are insufficient to make any payments directed in the Written Request of the Issuer, the Trustee shall promptly notify each Project Participant, at its respective address shown on Schedule I attached to the Indenture, of the fact and amount of such deficiency.

(Section 5.14)

INVESTMENT OF CERTAIN FUNDS

Moneys held in the Debt Service Account shall be invested and reinvested by the Trustee at the Written Direction of the Issuer to the fullest extent practicable in Qualified Investments specified in such Written Direction which mature or are payable not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Accounts and may take the form of a Debt Service Fund Agreement. To the extent moneys held in the Debt Service Account are invested in a Debt Service Fund Agreement, the Issuer covenants and agrees that it will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with such Debt Service Fund Agreement without the written consent of the Trustee and the delivery to the Trustee of a Rating Confirmation with respect to such amendment. Moneys held in the Revenue Fund and the Project Fund may be invested and reinvested by the Trustee at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Funds. Moneys in the Operating Fund (other than moneys in the Operating Fund held with respect to Rebate Payments) may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction which mature within twelve months or which provide funds as needed; moneys held in the Operating Fund with respect to Rebate Payments shall be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction at fair market value; and moneys in the General Reserve Fund and the Energy Remarketing Reserve Fund may be invested at the Written Direction of the Issuer in Qualified Investments specified in such Written Direction; in any case the Qualified Investments in such Funds or in the Accounts therein shall mature not later than such times as shall be necessary to provide moneys when needed to provide payments from such Funds or Accounts. The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under the Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer and may rely on

such investment directions without verifying the suitability or legality of such investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any Qualified Investments with moneys in any Fund or Account established under the Indenture, the Issuer may give Written Direction to the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

The Trustee shall only be required to make investments of moneys held by it in the Funds and Accounts established under the Indenture in accordance with Written Directions received by the Trustee from any Authorized Officer of the Issuer. The Trustee shall be entitled to rely in good faith on any Written Direction of the Issuer as to the suitability and legality of the directed investment and any deposit or investment directed by the Issuer shall constitute a certification by the Issuer that the assets so deposited or to be purchased pursuant to such directions are Qualified Investments. In making any investment in any Qualified Investments with moneys in any Fund or Account established under the Indenture, the Issuer may give Written Direction to the Trustee to combine such moneys with moneys in any other Fund or Account, but solely for purposes of making such investment in such Qualified Investments.

Interest earned on any moneys or investments in the Funds and Accounts established under the Indenture shall be paid into the Revenue Fund, other than interest earned on any moneys or investments in (i) the Redemption Account in the Debt Service Fund, (ii) the Operating Fund relating to Rebate Payments, (iii) the Energy Remarketing Reserve Fund, and (iv) the Administrative Fee Fund. Such interest shall be held in such respective Fund or Account for the purposes thereof. If no written investment directions have been delivered to the Trustee for any Fund or Account, moneys shall be held there uninvested by the Trustee.

Nothing in the Indenture shall prevent any Qualified Investments acquired as investments of or security for Funds held under the Indenture from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Nothing in the Indenture shall preclude the Trustee from investing or reinvesting moneys that it holds in the Funds and Accounts established pursuant to the Indenture through its bond department; provided, however, that the Issuer may, in its discretion, give a Written Direction to the Trustee that such moneys be invested or reinvested in a manner other than through such bond department.

To the extent any Qualified Investment is insured, guaranteed or otherwise supported by any secondary facility, the Trustee shall make a claim under such facility at such time as shall be required to receive payment thereunder not later than the date required to make any necessary deposit pursuant to the Indenture.

(Section 6.03)

VALUATION AND SALE OF INVESTMENTS

Obligations purchased as an investment of moneys in any Fund created under the provisions of the Indenture shall be deemed at all times to be a part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund, and any loss resulting from the liquidation of such investment shall be charged to the respective Fund.

In computing the amount in any Fund created under the provisions of the Indenture for any purpose provided in the Indenture, obligations purchased as an investment of moneys therein shall be valued at the lower of market value or the amortized cost thereof. The accrued interest paid in connection with the

purchase of any obligation shall be included in the value thereof until interest on such obligation is paid. Such computation shall be determined at the Written Direction of the Issuer to the Trustee as of each Principal Installment payment date and at such other times as the Issuer shall reasonably determine. Guaranteed investment contracts or similar agreements shall be valued at their face value to the extent that they provide for withdrawals without market adjustment or penalty when they are required to provide payment pursuant to the Indenture.

Except as otherwise provided in the Indenture, the Trustee shall use reasonable efforts to sell at the best price obtainable, or present for redemption, any obligation so purchased as an investment whenever it shall be requested to do so by a Written Request of the Issuer. Whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund held by the Trustee or the Issuer, the Issuer or the Trustee at the Written Direction of the Issuer shall use reasonable efforts to sell at the best price obtainable or present for redemption such obligation or obligations designated by an Authorized Officer in a Written Direction of the Issuer to the Trustee as necessary to provide sufficient moneys for such payment or transfer. The Issuer acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grants the Issuer the right to receive from the Trustee brokerage confirmations of security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall not be required to provide any brokerage information.

The Trustee shall not be liable or responsible for any loss, fee, tax or other charge resulting from any such investment, sale or presentation for redemption made in the manner provided in the Indenture.

(Section 6.04)

POWER TO ISSUE BONDS AND PLEDGE THE TRUST ESTATE

The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to execute and deliver the Indenture and to pledge the Trust Estate, in the manner and to the extent provided in the Indenture. Except to the extent otherwise provided in or contemplated by the Indenture, the Trust Estate will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the security interest, the pledge and assignment created by the Indenture, and all action on the part of the Issuer to that end has been and will be duly and validly taken. The Bonds and the provisions of the Indenture are and will be the valid and legally enforceable limited obligations of the Issuer in accordance with their terms and the terms of the Indenture. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues and other moneys, securities and funds pledged under the Indenture and all the rights of the Bondholders under the Indenture against all claims and demands of all Persons whomsoever.

(Section 7.05)

POWER TO FIX AND COLLECT FEES AND CHARGES FOR THE SALE OF ENERGY

The Issuer has, and, to the extent permitted by law, will have as long as any Bonds are Outstanding, good right and lawful power to fix, establish, maintain and collect fees and charges for the sale of Energy or otherwise with respect to the Clean Energy Project, subject to the terms of the Power Supply Contracts.

(Section 7.06)

CREATION OF LIENS

Except as expressly permitted under the terms of the Indenture, for so long as any Bonds are Outstanding, the Issuer shall not, without a Rating Confirmation, issue any bonds, notes, debentures or other evidences of indebtedness of similar nature payable from or secured by a pledge and assignment of the Trust Estate, other than the Bonds and bonds, notes, debentures or other evidences of indebtedness issued to refund Outstanding Bonds, or otherwise incur obligations other than those contemplated by the Indenture, the Energy Purchase Agreement, the Power Supply Contract, the Issuer Custodial Agreements, the Commodity Swap, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments), payable out of or secured by a pledge or assignment of, or lien on, the Trust Estate; and, except as expressly permitted under the terms of the Indenture, shall not, without a Rating Confirmation, create or cause to be created any lien or charge on the Trust Estate except as provided in or contemplated by the Indenture, the Energy Purchase Agreement, the Power Supply Contract, the Issuer Custodial Agreements, the Commodity Swap, the Interest Rate Swap and any documents or agreements relating to any of the foregoing (including, but not limited to, obligations under Qualified Investments); provided, however, that nothing contained in the Indenture shall prevent the Issuer from entering into or issuing, if and to the extent permitted by law (A) evidences of indebtedness (1) payable out of moneys in the Project Fund as part of the Cost of Acquisition or (2) payable out of or secured by a pledge and assignment of the Trust Estate or any part thereof to be derived on and after such date as the pledge of the Trust Estate provided in the Indenture shall be discharged and satisfied as provided in the Indenture, or (B) Commodity Swap and Interest Rate Swaps upon the terms and conditions set forth in the Indenture.

(Section 7.07)

AMENDMENTS TO POWER SUPPLY CONTRACTS

The Issuer will not consent or agree to or permit any termination or rescission of, assignment or novation (in whole or in part) by a Project Participant of, or amendment to or otherwise take any action under or in connection with any Power Supply Contract that will impair the ability of the Issuer to collect Revenues in each Fiscal Year which, together with the other amounts available therefor, shall provide an amount sufficient to pay:

(a) The amount estimated by the Issuer to be required to be paid during such Fiscal Year into the Operating Fund;

(b) The amounts, if any, required to be paid during such Fiscal Year into the Debt Service Fund other than any such amounts which the Issuer anticipates shall be transferred from other Funds or Accounts;

(c) The amounts, if any, to be paid during such Fiscal Year into any other Fund established under the Indenture; and

(d) All other charges or liens whatsoever payable out of Revenues during such Fiscal Year;

provided that:

(i) the Issuer may take any other action under or in connection with the Power Supply Contracts that is expressly permitted pursuant to the provisions thereof;

(ii) the Issuer and a Project Participant may amend a Power Supply Contract to change any Delivery Point (as defined and provided therein);

(iii) a Power Supply Contract may be amended upon receipt of (A) a Rating Confirmation with respect to such amendment, and (B) to the extent such amendment would have a material adverse effect (including, but not limited to, a change in the timing of payments, the source of such payments, or the Issuer's rights of collection thereof) upon the Receivables Purchase Provisions or the Commodity Swap, the consent of the Energy Supplier or the Commodity Swap Counterparty, respectively, such consent not to be unreasonably withheld or delayed;

(iv) the Issuer may agree to an assignment or novation of all or a portion of a Project Participant's rights and obligations under a Power Supply Contract upon (A) compliance with the restrictions on assignment set forth in such Power Supply Contract, and (B) receipt of a Rating Confirmation with respect to such assignment or novation; and

(v) a Power Supply Contract may also be amended in connection with a remediation pursuant to the Energy Purchase Agreement.

(Section 7.10)

POWER SUPPLY CONTRACTS; ENERGY REMARKETING

(a) The Issuer shall cause all Revenues payable by the Project Participants under the Power Supply Contracts to be payable directly to the Trustee for deposit into the Revenue Fund or custodial accounts established pursuant to the provisions of the Indenture. The Issuer shall enforce the provisions of the Power Supply Contracts, as well as any other contract or contracts entered into relating to the Clean Energy Project, and duly perform its covenants and agreements thereunder.

(b) In the event that the Project Participant fails to pay when due any amounts owed to the Issuer under the Power Supply Contract, the Issuer shall:

(i) promptly exercise its right to suspend all Energy deliveries to such Project Participant; and

(ii) promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Exhibit to the Energy Purchase Agreement for each Month of such suspension with respect to the quantities of Energy for which deliveries have been suspended.

(c) In the event that the Project Participant delivers a Remarketing Election Notice (as defined in each Power Supply Contract) in respect of any Reset Period, then the Issuer will promptly give notice to the Energy Supplier to follow the provisions set forth in the Remarketing Provisions for each month of such Reset Period with respect to any quantities of Energy that would otherwise have been delivered to such Project Participant.

(d) For the avoidance of doubt, as of the date of the Indenture, the Power Supply Contracts with the Project Participants set forth on Schedule I attached to the Indenture shall be the only Power Supply Contracts until such time, if any, that an assignment or novation occurs in accordance with the requirements set forth above. Without prejudice to the rights of the Energy Supplier to remarket Energy under the Energy Purchase Agreement or to an assignment or novation of a Power Supply Contract in compliance with the provisions of the Indenture described under this section entitled "Power Supply Contracts; Energy Remarketing," the Issuer may sell the quantities of Energy to be delivered under the Energy Purchase

Agreement only pursuant to the Power Supply Contracts. A copy of each Power Supply Contract and any amendment to a Power Supply Contract, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.11)

ENERGY PURCHASE AGREEMENT; ENERGY SUPPLIER GUARANTY

(a) The Issuer shall enforce the provisions of the Energy Purchase Agreement and duly perform its covenants and agreements thereunder and shall enforce the provisions of the Energy Supplier Guaranty.

(b) The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Energy Supplier under the Energy Purchase Agreement. The Issuer shall provide the Trustee with Written Notice of the Early Termination Payment Date (i) on the date on which a Failed Remarketing occurs, and (ii) in all other cases, not more than five (5) Business Days after such date is determined.

(c) The Issuer will not consent or agree to or permit any assignment of, rescission of or amendment to or otherwise take any action under or in connection with the Energy Purchase Agreement or the Energy Supplier Guaranty which will in any manner materially impair or materially adversely affect the rights of the Issuer thereunder or the rights or security of the Bondholders under the Indenture; *provided* that the Energy Purchase Agreement may be assigned or amended without Bondholder consent upon receipt of a Rating Confirmation with respect to such assignment or amendment. The Energy Purchase Agreement may also be amended in connection with a remediation pursuant to the Energy Purchase Agreement. Copies of the Energy Purchase Agreement, the Energy Supplier Guaranty and any amendments thereto, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.12)

COMMODITY SWAP

The Issuer shall cause all Commodity Swap Receipts and any other amounts payable to the Issuer pursuant to the Commodity Swap to be collected and paid directly to the Trustee for deposit into the Revenue Fund. The Issuer shall enforce the provisions of the Commodity Swap and duly perform its covenants and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Commodity Swap Counterparty under the Commodity Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Commodity Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions of the Indenture. The Issuer shall only exercise its right to terminate the Commodity Swap in compliance with the Indenture. A copy of the Commodity Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to the Commodity Swap, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.14)

INTEREST RATE SWAP

The Issuer shall cause all Interest Rate Swap Receipts or other amounts payable to the Issuer pursuant to the Interest Rate Swap to be collected and paid to the Trustee for deposit into the Debt Service Account. The Issuer shall enforce the provisions of the Interest Rate Swap and duly perform its covenants

and agreements thereunder. The Trustee shall promptly notify the Issuer of any payment default that has occurred and is continuing on the part of the Interest Rate Swap Counterparty under the Interest Rate Swap. The Issuer will not consent or agree to or permit any termination or rescission of or amendment to or otherwise take any action under or in connection with the Interest Rate Swap that will impair the ability of the Issuer to comply during the current or any future year with the provisions of the Indenture. The Issuer shall only exercise its right to terminate the Interest Rate Swap in compliance with the Indenture. A copy of the Interest Rate Swap certified by an Authorized Officer shall be filed with the Trustee, and a copy of any amendment to the Interest Rate Swap, certified by an Authorized Officer, shall be filed with the Trustee.

(Section 7.15)

TAX COVENANTS

(a) The Issuer covenants in the Indenture that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds under Section 103 of the Internal Revenue Code and the applicable Treasury Regulations promulgated thereunder or, as applicable, would adversely affect the Subsidy Payments or receipt thereof by the Issuer or the Trustee. Without limiting the generality of the foregoing, the Issuer covenants that it will (i) comply with the instructions and requirements of the Tax Agreement and (ii) exercise commercially reasonable efforts to cause the Bonds to be redeemed (A) in such amount as may be necessary to maintain the exclusion from federal gross income of interest on the Bonds and (B) in whole in the event that interest on the Bonds becomes includible in federal gross income. The Issuer further agrees to follow any directions provided by Special Tax Counsel with respect to any such redemption. Such covenant shall survive payment in full or defeasance of the Bonds.

(b) In the event that at any time the Issuer is of the opinion that for purposes of the provisions of the Indenture described in this section entitled "Tax Covenants" it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee under the Indenture, the Issuer shall so instruct the Trustee in writing as to the specific actions to be taken, and the Trustee shall take such action as specified in such instructions.

(c) Notwithstanding any other provisions of the Indenture described in this section entitled "Tax Covenants," if the Issuer shall provide to the Trustee an Opinion of Special Tax Counsel that any specified action required under the provisions of the Indenture described in this section entitled "Tax Covenants" is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds or the qualification of the Issuer to receive Subsidy Payments with respect to the applicable Series of Bonds, the Issuer and the Trustee may conclusively rely on such opinion in complying with the requirements of the provisions of the Indenture described in this section entitled "Tax Covenants" and of the Tax Agreement, and the covenants under the Indenture shall be deemed to be modified to that extent.

(d) Notwithstanding any other provision of the Indenture to the contrary, upon the Issuer's failure to observe or refusal to comply with the above covenants, the Holders of the Bonds, or the Trustee acting on their behalf pursuant to their written request and direction, shall be entitled to the rights and remedies provided to Bondholders under the Indenture based upon the Issuer's failure to observe, or refusal to comply with, the above covenants. In connection with any action taken by it under the provisions of the Indenture described in this section entitled "Tax Covenants," the Trustee shall have the benefit of all of the protective provisions set forth in the Indenture.

(Section 7.18)

EVENTS OF DEFAULT

Any one or more of the following shall constitute an "Event of Default" under the Indenture:

(a) default shall be made in the due and punctual payment of the principal or Redemption Price or Purchase Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or tender, or otherwise;

(b) default shall be made in the due and punctual payment of any installment of interest on any Bond or the unsatisfied balance of any Sinking Fund Installment therefor (except when such Sinking Fund Installment is due on the maturity date of such Bond), when and as such interest installment or Sinking Fund Installment shall become due and payable;

(c) default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, and such default shall continue for a period of 60 days or, if such default cannot reasonably be remedied within such 60 day period, such longer period so long as diligent efforts are being made to remedy such default, after written notice thereof specifying such default and requiring that it shall have been remedied and stating that such notice is a "Notice of Default" under the Indenture is given to the Issuer by the Trustee or to the Issuer and to the Trustee by the Holders of not less than 10% in principal amount of the Bonds Outstanding;

(d) default shall be made in the due and punctual payment of any Commodity Swap Payment or Interest Rate Swap Payment when and as the same shall become due and payable;

(e) the Issuer shall commence a voluntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect (*provided, however*, that such event shall not constitute an Event of Default under the Indenture unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project), or shall authorize, apply for or consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefrom, or shall make any general assignment for the benefit of creditors, or shall make a written declaration or admission to the effect that it is unable to meet its debts with respect to the Clean Energy Project as such debts mature, or shall authorize or take any action in furtherance of any of the foregoing;

(f) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case or similar proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, (*provided, however*, that such event shall not constitute an Event of Default under the Indenture unless in addition, (i) the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature or (ii) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Clean Energy Project), or a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official for the Clean Energy Project, or any part thereof, and/or the rents, fees, charges or other revenues therefor, or a decree or order for the dissolution, liquidation or winding up of the Issuer and its affairs or a decree or order finding or determining that the Issuer is unable to meet its debts with respect to the Clean Energy Project as such debts mature, and any such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; and

(g) there shall occur any other Event of Default specified in a Supplemental Indenture.

(Section 8.01)

ENFORCEMENT OF AGREEMENTS; APPLICATION OF MONEYS AFTER DEFAULT

(a) The Issuer covenants that, if an Event of Default shall have occurred and be continuing, it shall upon the demand of the Trustee (i) take such additional actions on its part as shall be necessary to cause all Project Participants to make payments of all amounts due under the Power Supply Contracts to the Trustee, (ii) take such additional actions on its part as shall be necessary to cause the Commodity Swap Counterparty to make payment of all amounts due under the Commodity Swap directly to the Trustee, (iii) take such additional actions on its part as shall be necessary to cause the Interest Rate Swap Counterparty to make payment of all amounts due under the Interest Rate Swap directly to the Trustee, (iv) execute and deliver such additional instruments that may be necessary to establish or confirm its pledge and assignment to the Trustee of its rights and remedies afforded the Issuer under the Power Supply Contracts, and (v) pay over or cause to be paid over to the Trustee any Revenues which have not been paid directly to the Trustee as promptly as practicable after receipt thereof. In addition, to secure its obligations under the Indenture, the Issuer irrevocably pledges and collaterally assigns to the Trustee the Issuer's rights to issue notices (including notices to direct the remarketing of Energy) and to take any other actions that the Issuer is required or permitted to take under the Energy Purchase Agreement, the Power Supply Contracts, the Energy Supplier Guaranty, the Commodity Swap and the Interest Rate Swap, and, while an Event of Default has occurred and is continuing under the Indenture, the Trustee is authorized and directed, and shall have the authority, to take any such actions as it deems necessary under the Energy Purchase Agreement, the Power Supply Contracts, the Energy Supplier Guaranty, the Commodity Swap and the Interest Rate Swap. Notwithstanding this authorization, the Issuer shall retain, in the absence of any conflicting action by the Trustee while an Event of Default has occurred and is continuing, the right and obligation to exercise any rights which it has pledged and collaterally assigned to the Trustee in accordance with the foregoing; provided, however, if an Event of Default has occurred and is continuing, the Trustee shall have the right to notify the Issuer to cease exercising such rights and, upon receipt of such notice with a copy provided to the Energy Supplier under the Energy Purchase Agreement, the Project Participants under the Power Supply Contracts, and the Commodity Swap Counterparty under the Commodity Swap, subject to the rights of the Energy Supplier with respect to the Power Supply Contracts as set forth in the Receivables Purchase Provisions, the Trustee shall have exclusive authority to exercise such rights until such time as the Event of Default has been cured pursuant to the terms of the Indenture or the Trustee issues a subsequent notice otherwise. For the avoidance of doubt, the Energy Purchase Agreement, the Power Supply Contracts and the Commodity Swap may be amended at any time for changes in Delivery Points as provided therein, without the consent of the Bondholders, any parties other than those to the relevant agreement, and without the provision of opinions or other process under the Indenture.

(b) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds and Revenues received by the Trustee pursuant to any right given or action taken under the provisions of Article VIII of the Indenture in accordance with Article V of the Indenture, after the payment of the reasonable fees, charges, expenses and liabilities of the Fiduciaries (including court costs and the fees and expenses of the Fiduciaries' counsel) payable to or incurred by the Fiduciaries in connection with the performance of their duties and the exercise of their rights under the Indenture, provided that (1) moneys held in the Debt Service Account shall not be used for purposes other than payment of the interest and principal or Redemption Price then due on the Bonds and the payment of Interest Rate Swap Payments then due under the Interest Rate Swap, (2) moneys in the Commodity Swap Payment Fund shall be used first to pay any Commodity Swap Payments then due, (3) moneys held in the General Reserve Fund shall not be used other than for the payment of the items specified under the Indenture, and (4) moneys held in the Administrative Fee Fund shall not be used other than as specified in the Indenture.

(c) If and whenever all overdue installments of interest on all Bonds, together with the reasonable charges, expenses and liabilities of the Fiduciaries, and all other sums payable or secured by the Issuer under the Indenture, including the principal and Redemption Price of and accrued unpaid interest on all Bonds which shall then be payable by declaration or otherwise, shall either be paid by or for the account of the Issuer, or provisions satisfactory to the Trustee shall be made for such payment, and all defaults under the Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Issuer all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of the Indenture, particularly the terms of the Indenture described under "Establishment of Funds and Accounts" above, to be deposited or pledged, with the Trustee), and thereupon the Issuer and the Trustee shall be restored, respectively, to their former positions and rights under the Indenture. No such payment over to the Issuer by the Trustee nor restoration of the Issuer and the Trustee to their former positions and rights shall extend to or affect any subsequent default under the Indenture or impair any right consequent thereon.

(Section 8.03)

APPOINTMENT OF RECEIVER

The Trustee shall have the right, upon the happening of an Event of Default, to apply in an appropriate proceeding for the appointment of a receiver of the Clean Energy Project.

(Section 8.04)

PROCEEDINGS BROUGHT BY TRUSTEE

(a) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon written request of the Holders of not less than a majority in principal amount of the Bonds Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Holders of the Bonds under the Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant contained in the Indenture, or in aid of the execution of any power granted pursuant to the Indenture, or for an accounting against the Issuer as if the Issuer were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under the Indenture.

(b) All rights of action under the Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

(c) The Holders of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, provided that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Bondholders not parties to such direction.

(d) Upon commencing a suit in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under the Indenture, the Trustee shall be entitled to exercise any and all

rights and powers conferred in the Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(e) Regardless of the happening of an Event of Default, the Trustee shall have power to, but unless requested in writing by the Holders of a majority in principal amount of the Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under the Indenture by any acts which may be unlawful or in violation of the Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders.

(Section 8.05)

RESTRICTION ON BONDHOLDERS' ACTION

(a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of any provision of the Indenture or the execution of any trust under the Indenture or for any remedy under the Indenture, unless such Holder (i) shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in the Indenture, and the Holders of at least a majority in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, (ii) shall have offered it reasonable opportunity, either to exercise the powers granted in the Indenture or by the laws of the State or to institute such action, suit or proceeding in its own name, and (iii) shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by the Indenture, or to enforce any right under the Indenture, except in the manner therein provided; and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of all Holders of the Outstanding Bonds, subject only to the provisions of the Indenture.

(b) Nothing in the Indenture or in the Bonds shall affect or impair the obligation of the Issuer, which is absolute and unconditional, to pay only from the Trust Estate, in accordance with the terms of the Indenture, at the respective dates of maturity and places therein expressed the principal of (and premium, if any) and interest on the Bonds to the respective Holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Holder to enforce such payment of its Bond.

(Section 8.06)

REMEDIES NOT EXCLUSIVE

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity or by statute on or after the date of execution and delivery of the Indenture.

(Section 8.07)

EFFECT OF WAIVER AND OTHER CIRCUMSTANCES

(a) No delay or omission of the Trustee or any Bondholder to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein; and every power and remedy given by the Indenture to the Trustee or to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

(b) Prior to the declaration of maturity of the Bonds as provided in the Indenture, the Holders of not less than a majority in principal amount of the Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may on behalf of the Holders of all of the Bonds waive any past default under the Indenture and its consequences, except a default in the payment of interest on or principal of or premium (if any) on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

(Section 8.08)

NOTICE OF DEFAULT

The Trustee shall promptly mail written notice of the occurrence of any Event of Default to each registered owner of Bonds then Outstanding at its address, if any, appearing upon the registry books of the Issuer.

(Section 8.09)

SUPPLEMENTAL INDENTURES NOT REQUIRING CONSENT OF BONDHOLDERS

The Issuer and the Trustee may from time to time, subject to the conditions and restrictions contained in the Indenture, enter into a Supplemental Indenture or Indentures, in form satisfactory to the Trustee, which shall thereafter form a part of the Indenture, without the consent of the Bondholders for any one or more of the following purposes:

(i) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture;

(ii) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect;

(iii) To make any other modification or amendment of the Indenture which the Trustee shall in its sole discretion determine will not have a material adverse effect on the Bondholders or the Interest Rate Swap Counterparty; and in making such a determination, the Trustee shall be entitled to rely conclusively upon an Opinion of Counsel and/or certificates of investment bankers or other financial professionals or consultants;

(iv) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(v) To add to the limitations and restrictions in the Indenture, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(vi) To authorize the issuance of Refunding Bonds;

(vii) To authorize, in compliance with all applicable law, Bonds to be issued in the form of coupon Bonds registrable as to principal only and, in connection therewith, specify and determine the matters and things relative to the issuance of such coupon Bonds, including provisions relating to the timing and manner of provision of any notice required to be given under the Indenture to the Holders of such coupon Bonds, which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such coupon Bonds;

(viii) To provide for the execution of a Commodity Swap in accordance with the provisions of the Indenture;

(ix) To provide for a Liquidity Facility and Liquidity Facility Provider in accordance with the provisions of the Indenture;

(x) To confirm, as further assurance, any security interest, pledge or assignment under, and the subjection to any security interest, pledge or assignment created or to be created by, the Indenture of the Revenues or of any other moneys, securities or funds;

(xi) To add to the Events of Default in the Indenture additional Events of Default;

(xii) To add to the Indenture any provisions relating to the application of interest earnings on any Fund or Account under the Indenture required by law to preserve the exclusion of interest on Bonds issued from gross income for federal income tax purposes;

(xiii) To evidence the appointment of a successor Trustee; or

(xiv) If the Bonds affected by such change are rated by a Rating Agency, to make any change upon receipt of a Rating Confirmation with respect to the Bonds so affected.

Each Supplemental Indenture authorized by this section entitled "Supplemental Indentures not Requiring Consent of Bondholders" shall become effective as of the date of its execution and delivery by the Issuer and the Trustee or such later date as shall be specified in such Supplemental Indenture.

A Supplemental Indenture will be deemed to not materially adversely affect the Holders of any Bonds that are subject to mandatory tender on or before the effective date of the Supplemental Indenture.

(Section 10.01)

GENERAL PROVISIONS

(a) The Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of the Indenture relating to supplemental indentures and amendments. Nothing contained in the provisions of the Indenture relating to supplemental indentures and amendments shall affect or limit the right or obligation of the Issuer to adopt, make, do, execute,

acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of the Indenture or the right or obligation of the Issuer to execute and deliver to any Fiduciary any instrument which elsewhere in the Indenture it is provided shall be delivered to said Fiduciary.

(b) Any Supplemental Indenture referred to and permitted or authorized by the Indenture may be entered into between the Issuer and the Trustee without the consent of any of the Bondholders, but shall become effective only on the conditions, to the extent and at the time provided under the Indenture. A copy of every Supplemental Indenture shall be accompanied by an Opinion of Counsel stating that such Supplemental Indenture is authorized or permitted by the Indenture, and is valid and binding upon the Issuer; provided, that such Opinion of Counsel may take customary exceptions, including as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, receivership, debt adjustment, moratorium, reorganization, arrangement, fraudulent conveyance or other similar laws relating to or affecting creditors' rights generally, the application of equitable principles, the exercise of judicial discretion, limitations on legal remedies against public entities in the State, and the valid exercise of the sovereign police powers of the State and of the constitutional power of the United States of America and may state that no opinion is being rendered as to the availability of any particular remedy.

(c) The Trustee is authorized under the Indenture to enter into any Supplemental Indenture referred to and permitted or authorized by the Indenture and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an Opinion of Counsel that such Supplemental Indenture is authorized or permitted by the provisions of the Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto; provided, however the provisions of the Indenture described under this section entitled "General Provisions" shall not affect the rights of the Holders or the Issuer to remove the Trustee as provided in the Indenture.

(e) Notwithstanding anything in the provisions of the Indenture relating to supplemental indentures to the contrary, no Supplemental Indenture (or other amendment to the Indenture) shall change or modify (i) the order of priority of deposits set forth in the Indenture, (ii) the priority of the application of funds following an Event of Default as set forth in the Indenture, (iii) the definition of Operating Expenses, (iv) any of the rights or interests of the Commodity Swap Counterparty, the Interest Rate Swap Counterparty (if any) or the Energy Supplier, as purchaser under the Receivables Purchase Provisions, granted in the Indenture or in the Commodity Swap, the Interest Rate Swap or the Receivables Purchase Provisions, as the case may be, or (v) the provisions of the Indenture regarding the sale by the Trustee of Put Receivables (A) in each case unless the prior written consent of the Commodity Swap Counterparty has been obtained, and the Commodity Swap Counterparty shall have full right to enforce this provision, and (B) in the case of clause (iv) of this paragraph (e), unless the prior written consent of the Interest Rate Swap Counterparty and/or the Energy Supplier, as applicable, has been obtained.

(Section 10.03)

POWERS OF AMENDMENT

Any modification or amendment of the Indenture and of the rights and obligations of the Issuer and of the Holders of the Bonds thereunder may be made by a Supplemental Indenture, subject to the provisions of the Indenture, with the written consent given as provided in in the Indenture of the Holders of not less than a majority in principal amount of Outstanding Bonds, and (b) in case the modification or amendment changes the terms of any Sinking Fund Installment, of the Holders of not less than a majority in principal amount of Outstanding Bonds of the particular maturity entitled to such Sinking Fund Installment; provided,

however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like maturity remain Outstanding (or have become subject to mandatory purchase) the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this section entitled "Powers of Amendment;" and provided further, however, that if such modification or amendment would adversely affect the Interest Rate Swap Counterparty, such modification or amendment shall be subject to the prior written consent of the Interest Rate Swap Counterparty. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of the provisions of the Indenture described in this paragraph, the Bonds shall be deemed to be affected by a modification or amendment of the Indenture if the same adversely affects or diminishes the rights of the Holders of Bonds in any material respect. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Bonds would be materially affected by any modification or amendment of the Indenture and any such determination shall be binding and conclusive on the Issuer and all Holders of Bonds. For purposes of this section entitled "Powers of Amendment," the Holders of any Bonds may include the initial Holders thereof, regardless of whether such Bonds are being held for resale.

(Section 11.02)

DEFEASANCE

(a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated in the Bonds and in the Indenture and shall pay or cause to be paid all amounts due or to become due to the Interest Rate Swap Counterparty under the Interest Rate Swap, then the pledge of all covenants, agreements and other obligations of the Issuer to the Bondholders, shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds; provided, however, that the Indenture shall not be discharged until (i) the Issuer shall have paid and satisfied all claims, charges and expenses that constitute Operating Expenses under the Indenture, (ii) the Trustee shall have received an Opinion of Counsel to the effect that all conditions precedent to the satisfaction and discharge of the Indenture have been fulfilled and (iii) receipt by the Trustee of a Rating Confirmation. In such event, the Trustee shall cause an accounting for such period or periods as shall be requested by the Issuer to be prepared and filed with the Issuer and, upon the request of the Issuer, shall execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Issuer all moneys or securities held by them pursuant to the Indenture which are not required for the payment of principal or Redemption Price, if applicable, on Bonds not theretofore surrendered for such payment or redemption. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Outstanding Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of the Issuer to the Holders of such Bonds shall thereupon cease, terminate and be discharged and satisfied except for remaining rights of registration of transfer and exchange of Bonds.

(b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to

have been paid within the meaning and with the effect expressed in the above paragraph (a). In addition, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the above paragraph (a) upon compliance with the provisions of the below paragraph (c).

(c) Subject to the provisions of the Indenture described in paragraph (d) below, any Outstanding Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) above of under this section entitled "Defeasance" if (i) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee irrevocable written instructions accepted in writing by the Trustee to mail as provided in Article IV notice of redemption of such Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as thereafter provided prior to the mailing of such notice of redemption) on said date, (ii) there shall have been deposited with the Trustee either moneys (including moneys withdrawn and deposited pursuant to the Indenture) in an amount which shall be sufficient, or Defeasance Securities (including any Defeasance Securities issued or held in book entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds (with such interest being calculated at the Maximum Rate with respect to any Bonds with interest rates that are not fixed to their redemption or maturity date, as applicable) on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable written instructions to mail, as soon as practicable, a notice to the Holders of such Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day of the month preceding the month for which notice is mailed that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of paragraph (d) below of this section entitled "Defeasance," to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds (other than Bonds which have been purchased by the Trustee at the direction of the Issuer or purchased or otherwise acquired by the Issuer and delivered to the Trustee as provided in the Indenture prior to the mailing of the notice of redemption referred to in clause (i)). Any notice of redemption mailed pursuant to the preceding sentence with respect to Bonds which constitute less than all of the Outstanding Bonds of any maturity shall specify the letter and number or other distinguishing mark of each such Bond. The Trustee shall, as and to the extent necessary, apply moneys held by it pursuant to the provisions of the Indenture described under this section entitled "Defeasance" to the retirement of said Bonds in amounts equal to the unsatisfied balances (determined as provided in the Indenture) of any Sinking Fund Installments with respect to such Bonds, all in the manner provided in the Indenture. The Trustee shall, if so directed by the Issuer (A) prior to the maturity date of Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are not to be redeemed prior to their maturity date or (B) prior to the mailing of the notice of redemption referred to in clause (i) above with respect to any Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect of such Bonds and redeem or sell Defeasance Securities so deposited with the Trustee and apply the proceeds thereof to the purchase of such Bonds and, the Trustee shall immediately thereafter cancel all such Bonds so purchased; provided, however, that the moneys and Defeasance Securities remaining on deposit with the Trustee after the purchase and cancellation of such Bonds (or the deemed cancellation thereof) shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all Bonds (calculated as described above), in respect of which such moneys and Defeasance Securities

are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be. If, at any time (1) prior to the maturity date of Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are not to be redeemed prior to their maturity date or (2) prior to the mailing of the notice of redemption referred to in clause (i) with respect to any Bonds deemed to have been paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" which are to be redeemed on any date prior to their maturity, the Issuer shall purchase or otherwise acquire any such Bonds and deliver such Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Bonds so delivered; such delivery of Bonds to the Trustee shall be accompanied by directions from the Issuer to the Trustee as to the manner in which such Bonds are to be applied against the obligation of the Trustee to pay or redeem Bonds deemed paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance." The directions given by the Issuer to the Trustee referred to in the preceding sentences shall also specify the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to pay Bonds deemed paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" upon their maturity date or dates and the portion, if any, of such Bonds so purchased or delivered and cancelled or deemed cancelled to be applied against the obligation of the Trustee to redeem Bonds deemed paid in accordance with the provisions of the Indenture described under this section entitled "Defeasance" on any date or dates prior to their maturity. In the event that on any date as a result of any purchases, acquisitions and cancellations or deemed cancellations of Bonds as provided in the provisions of the Indenture described under this section entitled "Defeasance" the total amount of moneys and Defeasance Securities remaining on deposit with the Trustee under the provisions of the Indenture described under this section entitled "Defeasance" is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Bonds in order to satisfy clause (ii) of this paragraph (c) of this section entitled "Defeasance," the Trustee shall, if requested by the Issuer, pay the amount of such excess to the Issuer free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Indenture. Except as otherwise provided in paragraphs (c) and (d) of this section entitled "Defeasance," neither Defeasance Securities nor moneys deposited with the Trustee pursuant to the provisions of the Indenture described under this section entitled "Defeasance" nor principal or interest payments on any such Defeasance Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Securities deposited with the Trustee, (x) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Issuer as received by the Trustee, free and clear of any trust, lien or pledge securing said Bonds or otherwise existing under the Indenture, and (y) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Qualified Investments maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Issuer, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Bonds or otherwise existing under the Indenture. Notwithstanding anything contained in the Indenture to the contrary, the Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against Defeasance Securities or the principal and interest received on Defeasance Securities.

(d) Anything in the Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years (or, if shorter, one Business Day before such moneys would escheat to the State under then applicable State law) after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for six years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds became

due and payable, shall, at the Written Request of the Issuer, be repaid by the Fiduciary to the Issuer, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the Issuer for the payment of such Bonds; provided, however, that before being required to make any such payment to the Issuer the Fiduciary shall, at the expense of the Issuer, cause to be published at least twice, at an interval of not less than seven days between publications, in the Authorized Newspaper, a notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such moneys then unclaimed will be returned to the Issuer.

(Section 12.01)

[*Remainder of Page Intentionally Left Blank*]

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

[closing date]

This Continuing Disclosure Undertaking (the "*Agreement*") is executed and delivered by California Community Choice Financing Authority ("*CCCFA*") in connection with the issuance of its $_____ Clean Energy Project Revenue Bonds Series 2023[_]-1 (Green Bonds) (Term Rate), $_____ Clean Energy Project Revenue Bonds Series 2023[_]-2 (Green Bonds) (SIFMA Index Rate), and $_____ Clean Energy Project Revenue Bonds Series 2023[_]-3 (Green Bonds) (SOFR Index Rate) (collectively, the "*Bonds*"). The Bonds are being issued pursuant to a Trust Indenture, dated as of _____ 1, 2023 (the "*Indenture*"), between CCCFA and The Bank of New York Mellon Trust Company, N.A., as trustee.

In consideration of the issuance of the Bonds by CCCFA and the purchase of such Bonds by the beneficial owners thereof, CCCFA covenants and agrees as follows:

1. Purpose of This Agreement. This Agreement is executed and delivered by CCCFA as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). CCCFA represents that it will be the only "obligated person" within the meaning of the Rule with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after the issuance of the Bonds.

2. Definitions. (a) The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"*Annual Financial Information*" means the financial information and operating data described in *Exhibit I*.

"*Annual Financial Information Disclosure*" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"*Audited Financial Statements*" means collectively, the audited financial statements of CCCFA and the Project Participant, each prepared pursuant to the standards and as described in *Exhibit I*.

"*Commission*" means the Securities and Exchange Commission.

"*Dissemination Agent*" means any agent designated as such in writing by CCCFA and which has filed with CCCFA a written acceptance of such designation, and such agent's successors and assigns.

"*EMMA*" means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

"*Energy Supplier*" means Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company and its successors and permitted assigns.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended.

"*Final Official Statement*" means the Final Official Statement dated _____, 2023, relating to the Bonds.

"*Financial Obligation*" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of an obligation or instrument described in clause (a) or (b) of this definition; provided however, the term Financial Obligation does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Monthly Ledger Report*" means the copies of the ledgers maintained by the Energy Supplier pursuant to Exhibit C of the Prepaid Energy Sales Agreement and delivered each month to CCCFA pursuant to Section 9(b)(i) of such Exhibit.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Non-Private Business Sales Ledger*" and "*Private Business Sales Ledger*" have the meanings assigned to such terms in Exhibit C to the Prepaid Energy Sales Agreement.

"*Participating Underwriter*" means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

"*Prepaid Energy Sales Agreement*" means the Prepaid Energy Sales Agreement dated as of _____, 2023 between the Energy Supplier and CCCFA.

"*Project Participant*' means Silicon Valley Clean Energy Authority.

"*Remarketing Non-Default Termination Event*" has the meaning assigned to such term in Exhibit C to the Prepaid Energy Sales Agreement.

"*Reportable Event*" means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

"*Reportable Events Disclosure*" means dissemination of a notice of a Reportable Event as set forth in Section 5.

"*Rule*" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"*Undertaking*" means the obligations of CCCFA pursuant to Sections 4 and 5.

(b) Capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Indenture.

3. CUSIP Numbers. The CUSIP Numbers of the Bonds are as follows:

MATURITY (_____ 1)	AMOUNT	CUSIP NUMBER

CCCFA will include the CUSIP Numbers (or applicable CUSIP Number) in all disclosure described in Sections 4 and 5 of this Agreement.

4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, CCCFA hereby covenants that it will disseminate or cause to be disseminated on its behalf its Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, CCCFA will disseminate a statement to such effect as part of the Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. Reportable Events Disclosure. Subject to Section 8 of this Agreement, CCCFA hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. Consequences of Failure of CCCFA to Provide Information. CCCFA shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of CCCFA to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause CCCFA to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause CCCFA to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Agreement in the event of any failure of CCCFA to comply with this Agreement shall be an action to compel performance.

7. Amendments; Waiver. Notwithstanding any other provision of this Agreement, CCCFA by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation pursuant to a "no-action" letter issued by the Commission, change in law, or change in the identity, nature, or status of CCCFA, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with CCCFA (such as the Trustee), or by approving vote of Bondholders pursuant to the terms of the Indenture at the time of the amendment.

In the event that the Commission, the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, CCCFA shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. Termination of Undertaking. The Undertaking of CCCFA shall be terminated hereunder if CCCFA no longer has any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture. CCCFA shall give notice to EMMA in a timely manner if this Section is applicable.

9. Dissemination Agent. CCCFA may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent.

10. Additional Information. Nothing in this Agreement shall be deemed to prevent CCCFA from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If CCCFA chooses to include any information from any document or notice of occurrence of

a Reportable Event in addition to that which is specifically required by this Agreement, CCCFA shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the name of CCCFA is changed, CCCFA shall disseminate such information to EMMA.

11. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of CCCFA, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. Recordkeeping. CCCFA shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. Assignment. CCCFA shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of CCCFA under this Agreement or to execute an Undertaking under the Rule.

14. Governing Law. This Agreement shall be governed by the laws of the State of California.

CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY

By _____
Its

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data with respect to the Clean Energy Project, including:

(a) with respect to the Project Participant updated information under the headings "Customers – General," "Customers – Customer Opt-Out Rate and Customer Retention," "Service Rates – Current and Historical Rate Information," "Sources of Energy – Energy Purchases," "Financial Information – Results of Operations," "Financial Information – Assets, Liabilities, Deferred Inflows or Resources and Net Position" and "Financial Information – Other Liquidity Sources" set forth APPENDIX A to the Official Statement;

(b) the quantities of Energy from the Clean Energy Project sold by CCCFA, whether to the Project Participant or others; and

(c) such other information and data as CCCFA may deem necessary in order to comply with the requirements of the Rule.

"*Audited Financial Statements*" means the audited financial statements of CCCFA and the Project Participant, in each case for the most recent fiscal year (commencing with the fiscal year ended December 31, 2023 for CCCFA, and commencing with the fiscal year ended September 30, 2023 for the Project Participant), in each case prepared in accordance with generally accepted accounting principles as promulgated to comply with governmental entities from time to time (or such other accounting principles as may be applicable to CCCFA and the Project Participant, as the case may be, in the future pursuant to applicable law).

All or a portion of the Annual Financial Information and the Audited Financial Statements set forth above may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a final official statement, the final official statement must be available on EMMA. The final official statement need not be available from the Commission. CCCFA shall clearly identify each such item of information included by reference.

Annual Financial Information with respect to the Project Participant will be submitted to EMMA by 200 days after end of the Project Participant's fiscal year, being June 30.

Annual Financial Information with respect to CCCFA (*i.e.,* the information described in clauses (b) and (c) of the definition of Annual Financial Information) will be submitted to EMMA by 200 days after end of CCCFA's fiscal year.

Audited Financial Statements as described above should be filed at the same times as the Annual Financial Information for the Project Participant and CCCFA. If Audited Financial Statements are not available when such Annual Financial Information is filed, unaudited financial statements shall be included. Audited Financial Statements will be submitted to EMMA no later than 30 days after availability to CCCFA.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, CCCFA will disseminate a notice of such change as required by Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Non-payment related defaults, if material

3. Unscheduled draws on debt service reserves reflecting financial difficulties

4. Unscheduled draws on credit enhancements reflecting financial difficulties

5. Substitution of credit or liquidity providers, or their failure to perform

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security

7. Modifications to the rights of security holders, if material

8. Bond calls, if material, and tender offers

9. Defeasances

10. Release, substitution or sale of property securing repayment of the securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the obligated person*

13. The consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

---

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties

17. The receipt by CCCFA of a Monthly Ledger Report that includes a credit to any Non-Private Business Sales Ledger or any Private Business Sales Ledger that has not been reversed within twelve months of the date of such credit

18. The receipt by CCCFA of a Monthly Ledger Report that shows that a Remarketing Non-Default Termination Event has occurred

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[CLOSING DATE]

California Community Choice Financing Authority
San Rafael, California

Re: California Community Choice Financing Authority
Clean Energy Project Revenue Bonds, Series 2023[_]-1 (Green Bonds) (Term Rate),
Clean Energy Project Revenue Bonds, Series 2023[_]-2 (Green Bonds) (SIFMA Index Rate), and
Clean Energy Project Revenue Bonds, Series 2023[_]-3 (Green Bonds) (SOFR Index Rate)

Ladies and Gentlemen:

We have acted as bond counsel to California Community Choice Financing Authority (the "Issuer") in connection with issuance of $[B-1 PAR] aggregate principal amount of California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2023[_]-1 (Green Bonds) (Term Rate) (the "Series 2023[_]-1 Bonds"), $[B-2 PAR] aggregate principal amount of California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2023[_]-2 (SIFMA Index Rate) (the "Series 2023[_]-2 Bonds") and $[B-3 PAR] aggregate principal amount of California Community Choice Financing Authority Clean Energy Project Revenue Bonds, Series 2023[_]-3 (SOFR Index Rate) (the "Series 2023[_]-3 Bonds" and, together with the Series 2023[_]-1 Bonds and the Series 2023[_]-2 Bonds, the "Bonds"), issued pursuant to a Trust Indenture, dated as of [_____] 1, 2023 (the "Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Indenture provides that the Bonds are issued for the purpose of financing the Cost of Acquisition of the Clean Energy Project. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

The Issuer is authorized under the Joint Exercise of Powers Act (the "Act") constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended or supplemented from time to time, to issue the Bonds to finance the Cost of Acquisition of the Clean Energy Project.

In such connection, we have reviewed the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swap, the Seller Swap (as defined in the Prepaid Energy Sales Agreement), the Tax Certificate and Agreement, dated the date hereof (the "Tax Certificate"), opinions of counsel to the Issuer and the Trustee, certificates of the Issuer, the Trustee and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

We have examined such proceedings, documents, statutes and decisions, as we consider necessary as the basis for this opinion, including, *inter alia*, the Act and an executed and authenticated Bond. We assume that all other Bonds have been similarly executed and authenticated. We also assume that all documents, records, certifications and other instruments examined by us are genuine (including the signatures thereon), accurate and complete and we have not undertaken, by independent investigation, to verify the factual matters set forth in any such documents, records, certifications or other instruments.

The rights and obligations under the Bonds, the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Commodity Swap, the Seller Swap, the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding limited obligations of the Issuer.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Bonds, of the Trust Estate, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, and a valid pledge of the Commodity Swap Payment Fund and the amounts and investments on deposit therein in favor of the Commodity Swap Counterparty.

3. Interest on the Bonds [(including original issue discount)] is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Issuer and continuing compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the adjusted financial statement income of applicable corporations, as provided in the Code, for purposes of computing the alternative minimum tax imposed on such corporations for tax years beginning after December 31, 2022. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

4. Under existing laws as enacted and construed on the date of initial delivery of the Bonds, interest on the Bonds is exempt from State of California personal income taxes. We express no opinion regarding any other state or local tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds, including, but not limited to, whether the interest on the Bonds is exempt from taxation under the laws of any jurisdiction other than the State of California.

In rendering the opinion set forth in paragraph 3, we have assumed compliance with all covenants and agreements contained in the Indenture, the Prepaid Energy Sales Agreement, the Power Supply Contract, the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

Our engagement as bond counsel imposed no duty on us (a) to undertake any investigation as to either: (i) the adequacy of the security for the Bonds, (ii) the business or financial condition of the Issuer, and (iii) the veracity of any representations or certification made by the Issuer on which we have relied, or (b) to prepare, file or monitor the filing of continuation statements. We assume no obligation to file continuation statements under the Uniform Commercial Code of any jurisdiction, or to advise you to do so.

Our opinions represent our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and are not a guarantee of a result. This opinion letter is given solely for the benefit of the addressees and their successors and assigns. This opinion letter is not intended to be employed in any transaction other than the one described above and is being delivered to the addressees with the understanding that it may not be published, quoted, relied on or referred to by, and copies may not be delivered or made available to, in whole in or part, any other person or entity (other than the addressees' counsel or any applicable rating agency) or used for any other purpose without the express prior written consent of this firm in each instance.

We render this opinion as of the date hereof on the basis of federal law and the laws of the State of California as enacted and construed on the date hereof. We express no opinion as to any matter not set forth in the numbered paragraphs herein, including, without limitation, the accuracy or completeness of the preliminary or final official statement or other documents prepared or statements made in connection with the offering and sale of the Bonds, and make no representation that we have independently verified the contents thereof.

Sincerely yours,

APPENDIX F

FORM OF SECOND PARTY OPINION REGARDING GREEN BOND DESIGNATION

APPENDIX G

BOOK-ENTRY SYSTEM

The Depository Trust Company (*"DTC"*), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Bonds exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such maturity.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"Beneficial Owner"*) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested

by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership.

DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to CCCFA of securities as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and payments of principal and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from CCCFA or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, CCCFA or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of CCCFA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to CCCFA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

CCCFA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates are required to be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that CCCFA believes to be reliable, but CCCFA takes no responsibility for the accuracy thereof.

APPENDIX H

REDEMPTION PRICE OF THE BONDS

The following table sets forth the Redemption Price of the Bonds (being the Amortized Value of the Series 2023[_]-1 Bonds and 100% of the principal amounts of the Index Rate Bonds, but excluding accrued interest, upon an extraordinary mandatory redemption following an early termination of the Prepaid Energy Sales Agreement, as of the redemption dates shown below during the Initial Interest Rate Period.

REDEMPTION DATE	REDEMPTION PRICE

APPENDIX I

SCHEDULE OF TERMINATION PAYMENTS

The Termination Payment for any Early Termination Payment Date will be the amount set forth below in the column corresponding to the month in which the Early Termination Date occurs. In the event that the Early Termination Date occurs on other than the last day of a month, the Early Termination Payment will be increased by an amount equal to the product of (a) the Monthly Contract Quantity for such Month, minus the quantity of Energy required to have been delivered in such Month prior to the effectiveness of such Early Termination Date, multiplied by (b) the result of (i) the applicable Fixed Price (as defined in the CCCFA Commodity Swap), minus (ii) the Specified Discount then in effect. The Early Termination Payment Date is the last Business Day of the Month following the Month of Early Termination.

MONTH OF EARLY TERMINATION	TERMINATION PAYMENT

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 4

Item 4:	**Study Session: Decarbonization Programs and Policy Overview of Residential Buildings**
From:	Monica Padilla, Acting CEO
Prepared by:	Justin Zagunis, Director of Decarbonization Programs and Policy Douglas Bernard, Decarbonization Management Analyst
Date:	10/11/2023

BACKGROUND

Staff will provide a presentation on SVCE's programs for the residential buildings sector. The purpose of the presentation is to support increased awareness of programs, underlying data, policy approaches, and the scale needed to fully decarbonize the region.

The presentation will include high-level statistics on emissions and devices in SVCE territory, along with a review of datasets on the residential building stock in the area. The presentation will also highlight a handful of current programs and impacts, as well as describe a handful of upcoming programs that will help expand our reach to additional customer demographics. This presentation is for informational purposes only.

ATTACHMENTS

The PowerPoint presentation for this item will be posted to SVCE's website.

SILICON VALLEY CLEAN ENERGY

Silicon Valley Clean Energy
Board of Directors Meeting

October 11, 2023

Appendix A

Power Resource Contracts Executed by CEO

DocuSign Envelope ID: A226E42-2884-4624-8A01-B2B3AF8175F

WSPP RESOURCE ADEQUACY CONFIRMATION

This confirmation ("Confirmation") under the WSPP Agreement confirms the transaction between Silicon Valley Clean Energy Authority, a California joint powers authority ("Purchaser" or "SVCE") and Elk Hills Power, LLC ("EHP" or "Seller") dated as of August 29, 2023 (the "Effective Date"), by which Seller agrees to sell and deliver, and Purchaser agrees to purchase and receive, the Product (the "Transaction"). Capitalized terms not otherwise defined in this Confirmation or the WSPP Agreement are defined in the Tariff.

ARTICLE 1
TRANSACTION TERMS

Purchaser: SVCE

Seller: EHP

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.

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Sale and Delivery of Product

(a) For each Showing Month of the Delivery Period, Seller will sell and deliver to Purchaser, and Purchaser will purchase and receive from Seller, the Contract Quantity of the Product from the Shown Unit(s).

(b) Seller will deliver the Contract Quantity of Product by submitting to CAISO in its Supply Plan the Shown Unit and the characteristics of the Shown Unit and Product for Purchaser, as further specified in Appendix B, all in compliance with this Confirmation.

(c) Seller will cause all Supply Plans to meet and be filed in conformance with the requirements of the Tariff. Seller will submit, or cause the 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 Purchaser for each Showing Month of the Delivery Period. The total amount of Product identified and confirmed for each day of such Showing Month will equal the Contract Quantity, less any excused deductions to the Contract Quantity in the case of Flexible RA Capacity for excused reductions in Unit EFC.

(d) Seller may sell and deliver from a Shown Unit that meets requirements set forth in Appendix B, including the Resource Category and, if applicable, the Flexible Capacity Category. Seller will identify the Shown Unit(s) and Contract Quantity by providing Purchaser with the specific Unit 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 Contract Quantity for the Shown Unit in any Showing Month, the Parties will confer, make such corrections as are necessary for acceptance, and resubmit the corrected

DocuSign Envelope ID: A126E[illegible]1975F

Supply Plan or Resource Adequacy Plan for validation before the applicable deadline for the Showing Month.

(f) The Product is delivered by Seller and received by Purchaser when either (i) the CIRA Tool shows the Supply Plan accepted for the Contract Quantity of Product from the Shown Unit by CAISO or (ii) Seller complies with Purchaser's instruction to withhold all or part of the Contract Quantity from Seller's Supply Plan for any Showing Month during the Delivery Period. Seller has failed to deliver the Product if (i) 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 1(e) or (ii) Seller fails to submit the volume of Contract Quantity for any Showing Month in such amount as instructed by Purchaser for the applicable Showing Month. Purchaser will have received the Contract Quantity if (x) Seller's Supply Plan is accepted by the CAISO for the applicable Showing Month or (y) Seller complies with Purchaser's instruction to withhold all or part of the Contract Quantity from Seller's Supply Plan for the applicable Showing Month. Seller will not have failed to deliver the Contract Quantity if Purchaser fails or chooses not to submit the Shown Unit and the Product in its Resource Adequacy Plan with the CPUC or CAISO.

(g) Excused Reductions in Unit EFC: Unless the Parties have designated this Section 2.1(g) as "Not applicable", if the Product includes FCR Attributes, then Seller's failure to deliver any of the Contract Quantity of FCR Attributes during the Delivery Period will be excused if the Unit experiences a reduction in Unit EFC after the Effective Date as determined by CAISO and Seller has provided notice of such reduction to Purchaser by the Notification Deadline for the applicable Showing Month. The extent to which Seller's failure is excused will equal (i) the Contract Quantity of FCR Attributes for such day multiplied by (ii) the total amount (in MW) by which the Unit EFC was reduced since the Effective Date, divided by (iii) the Unit EFC as of the Effective Date. If the Unit experiences such a reduction in Unit EFC, then Seller may, but is not obligated to, provide the applicable part of the Contract Quantity of FCR Attributes for such day from the Shown Unit.

2.2 Purchaser's Remedies for Seller's Failure to Deliver Contract Quantity

(a) If Seller fails to deliver any part of the Contract Quantity as required herein for any Showing Month, and such failure is not excused under the terms of this Confirmation or by Purchaser's failure to perform, then Seller shall owe Purchaser, on the date payment would otherwise be due in respect of the month in which the failure occurred, an amount for such deficiency equal to the positive difference, if any, obtained by subtracting the Contract Price from the Replacement Price.

(b) Seller agrees to indemnify, defend and hold harmless Purchaser from any penalties, fines or costs, assessed against Purchaser by the CPUC, CAISO or other Governmental Body resulting from Seller's failure to deliver the Product. The Parties will 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.

DocuSign Envelope ID: A226E42-2884-4624-8D1B-3247F1975F

2.3 Purchaser's Re-Sale of Product

(a) Purchaser may re-sell all or part of the Contract Quantity of Product; provided that any such re-sale must not increase or modify Seller's obligations hereunder other than as set forth in this Section 2.3(a). For any such a resale, Resource Adequacy Plan of Purchaser as used herein will refer to the Resource Adequacy Plan of Subsequent Purchaser. Seller will, or will cause the Unit'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 will, and will cause the Unit'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 Unit's SC to comply with this Confirmation, Seller will be liable to Purchaser for the same amounts Seller would have owed Purchaser under this Confirmation if Purchaser had not resold the Product.

(b) Purchaser will notify Seller in writing of any resale of Product and the Subsequent Purchaser no later than two Business Days before the Notification Deadline for the Showing Month. Purchaser will notify Seller of any subsequent changes or further resales no later than two Business Days before the Notification Deadline for the Showing Month.

ARTICLE 3
PAYMENTS

3.1 Payment

(a) Purchaser shall pay for the Product as provided in Article 9 of the WSPP Agreement and this Confirmation; except that under Section 9.4 of the WSPP Agreement, in case any portion of any bill is in dispute, then only the undisputed portion of the bill shall be paid when due. The disputed portion of the bill shall be adjusted or paid upon final resolution of the dispute. Purchaser shall make a monthly payment to Seller for each Unit 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) 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 (a) the applicable Contract Price for that Showing Month, (b) the Contract Quantity for the Showing Month and (c) 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 Contract Quantity for the Showing Month that was not delivered in accordance with Section 2.1 for such Showing Month.

(b) Seller shall deliver invoices to the address(es) specified in Appendix C; *provided, however*, that changes to invoice, payment, wire transfer and other banking information must be made in writing and delivered via certified mail and shall include contact information for an authorized person who is available by telephone to verify the authenticity of such requested changes.

DocuSign Envelope ID: A226E42-2884-4624-8A38-1D2B3A4F1275F

3.2 Allocation of Other Payments and Costs

(a) Product does not confer to Purchaser any right to dispatch or receive the energy or ancillary services from a Shown Unit. Seller will receive any revenues from, and must 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 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 against any amounts owed to Purchaser under the WSPP Agreement.

(b) Purchaser is to receive and retain all revenues associated with the 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 must promptly report receipt of any such revenues to Purchaser. Seller must pay to Purchaser any such amounts received by Seller, or a 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 will, or will cause the Unit's SC to, within one 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 must schedule or cause the Unit's SC to schedule or make available to CAISO the Contract Quantity of the Product during the Delivery Period, in compliance with the Tariff, and perform all, or cause the Unit's SC, owner, or operator to perform all, obligations under applicable law and the Tariff relating to the Product. Nothing herein will prevent Seller from exercising any rights under the Tariff with respect to use of RA Substitute Capacity during the Delivery Period. Purchaser is not liable for, and Seller will indemnify and hold Purchaser harmless from, the failure of Seller or the Unit's SC, owner, or operator to comply with the Tariff, and for any penalties, fines or costs imposed on Seller or the Unit'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 will take all commercially reasonable actions and execute all documents or instruments reasonably necessary to ensure Purchaser's rights to the Contract Quantity of Product for the sole benefit of Purchaser or any Subsequent Purchaser. If necessary, the Parties further agree to negotiate in good faith to amend this Confirmation to conform this Transaction to

DocuSign Envelope ID: A226E42-2884-4624-8D1B-3247F1975F

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 Unit qualifies under the Tariff for the Product, and the Unit 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 Unit during the Delivery Period does not exceed the Unit NQC and, if applicable, the Unit EFC, for that Unit;

(d) if applicable, Seller has notified either the 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 Purchaser; and

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

4.4 Collateral Requirements

(a) Notwithstanding anything to the contrary contained in the WSPP Agreement, neither Purchaser nor Seller shall be required to provide Performance Assurance to the other Party during the Delivery Period.

(b) Sections 22.1(d) of the WSPP Agreement shall not apply to either Party with respect to this Transaction.

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 Contract Quantity in a Compliance Showing due to Seller's Event of Default, then Purchaser may, in good faith, estimate the amount of those penalties, fines or costs and include the estimate in its determination of the Termination

DocuSign Envelope ID: A1268F42-2884-4624-8901-8208B4F81975

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, (i) Purchaser may disclose information in order to support its Compliance Showings or otherwise show it has met its Compliance Obligations; (ii) Seller may disclose to a Unit's SC or as necessary for Supply Plans; (iii) each Party may disclose information to the independent evaluator or other administrator of any competitive solicitation process of Purchaser, which in turn may disclose such information to CAISO or any Governmental Body; and (iv) Purchaser may disclose information to any Subsequent Purchaser. Each Party recognizes that Purchaser is subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.).

5.3 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 Governmental Entity separate and distinct from its members. Purchaser shall solely be responsible for all of Purchaser's debts, obligations and liabilities accruing and arising out of this Agreement, and Seller agrees that it shall have no rights and shall not make any claim, take any actions or assert any remedies against any of Purchaser's members, or any cities or counties participating in Purchaser's community choice aggregation program, or any of Purchaser's retail customers in connection with the Transaction to which this Confirmation applies.

5.4 Dodd-Frank Act

The Parties intend this Transaction to be a "customary commercial arrangement" as described in Section II.A.1 of Commodity Futures Trading Commission, *Proposed Guidance, Certain Natural Gas and Electric Power Contracts*, 81 Fed. Reg. 20583 at 20586 (Apr. 8, 2016) and a "Forward Capacity Transaction" within the meaning of Commodity Futures Trading Commission, *Final Order in Response to a Petition From Certain Independent System Operators and Regional Transmission Organizations To Exempt Specified Transactions Authorized by a Tariff or Protocol Approved by the Federal Energy Regulatory Commission*, 78 Fed. Reg. 19,880 (Apr. 2, 2013).

5.5 Additional WSPP Agreement Amendments

For purposes of this Transaction only, the WSPP Agreement shall be amended as follows:

(a) Section 4 of the WSPP Agreement is amended by:

1. Adding "or the Friday after the United States Thanksgiving holiday" before the period at the end of the first sentence under the definition of "Business Day(s)".

2. Adding the following new definitions:

"Governmental Entity or Public Power System" means a municipality, county, governmental board, public power authority, public utility district, joint action agency,

or other similar political subdivision or public entity of the United States, one or more States or territories or any combination thereof.
"Special Fund" means a fund or account of the Governmental Entity or Public Power System set aside and or pledged to satisfy the Governmental Entity or Public Power System's obligations hereunder out of which amounts shall be paid to satisfy all of the Governmental Entity or Public Power System's obligations under this Agreement for the entire Period of Delivery under each Confirmation hereto."

(b) The first sentence of the second paragraph of Section 10 of the WSPP Agreement is amended by deleting the "or" before "(ii)" and adding to the end of such sentence "or (iii) if the Party claiming inability to perform is a Governmental Entity or Public Power System, any action taken by the Governmental Entity or Public Power System in its governmental capacity."

(c) Section 13.1 of the WSPP Agreement is amended to change "FERC" to "FERC or the CPUC".

(d) Section 21.2 of the WSPP Agreement is deleted and replaced with the following:

"Any Party due monies under this Agreement, the amounts of which are not in dispute or if disputed have been the subject of a decision awarding monies, (i) shall have the right to seek payment of such monies in court in accordance with Section 34.1 and (ii) shall possess the right to seek relief directly from such court without first exercising termination and liquidation rights under Section 22.

In addition, each Party shall possess the right to seek specific performance (injunctive relief) of the non-delivery related terms of this Agreement and any Confirmation in court in accordance with Section 34.1. In seeking to enforce the terms of this Agreement, however, consistent with Section 21.1, no Party is entitled to receive or recover monetary damages except as provided in Sections 21.3 and 22."

(e) Section 21.3(d) of the WSPP Agreement is modified by replacing the words "After informal dispute resolution as required by Section 34.1, any remaining dispute involving the calculation of the damages shall be referred to binding dispute resolution as provided by Section 34.2 of this Agreement" with "Unless otherwise resolved informally, any dispute involving the calculation of the damages shall be resolved in accordance with Section 34.1 of this Agreement".

(f) Section 21 of the WSPP Agreement is modified by adding the following Section 21.4:

"No Immunity Claim. Governmental Entity or Public Power System warrants and covenants that with respect to its contractual obligations hereunder and performance thereof, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (a) suit, (b) jurisdiction of court (provided such jurisdiction is consistent with the venue provisions in Section 34.1), (c) relief by way of injunction, or recovery of property, (d) attachment of assets, or (e) execution or enforcement of any judgment."

DocuSign Envelope ID: A226E42-2884-4624-8D1B-3B7F

(g) Section 22.3(e)(i) of the WSPP Agreement is modified by replacing the words "Any disputes as to the methodology shall be resolved pursuant to the dispute resolution procedures in Section 34, with binding arbitration pursuant to Section 34.2 required for disputes as to the methodology if mediation is unsuccessful" with "Unless otherwise resolved informally, any disputes as to the methodology shall be resolved in accordance with Section 34.1 of this Agreement".

(h) Section 22.3(f) of the WSPP Agreement is modified by replacing the words "submitted to informal dispute resolution as provided in Section 34.1 of this Agreement and thereafter binding dispute resolution pursuant to Section 34.2 if the informal dispute resolution does not succeed in resolving the dispute" with "resolved in accordance with Section 34.1 of this Agreement".

(i) 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, enforced and performed in accordance with the laws of the State of California, without regard to principles of conflicts of law or contrary provisions of the WSPP Agreement, if any."

(j) Subsections 34.1 and 34.2 of the WSPP Agreement are deleted and replaced with the following:

"34.1

(a) Consent to Jurisdiction. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE OF CALIFORNIA, COUNTY AND CITY OF SAN FRANCISCO OR LOS ANGELES. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, IRREVOCABLY (a) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS; (b) WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT IN THE COURTS REFERRED TO ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING HEREIN SHALL BE INTERPRETED AS WAIVING THE PROVISIONS OR APPLICATION OF THE CALIFORNIA TORT CLAIMS ACT.

34.2 Reserved."

(k) Subsection 34.3 of the WSPP Agreement is modified by deleting "The Parties shall equally divide the costs of the arbitrator or mediator and the hearing."

(l) Subsection 34.4 of the WSPP Agreement is deleted and replaced with:

"34.4 Reserved."

DocuSign Envelope ID: A226E42-2884-4624-8901-B2B3AF8175F

(m) Subsections 34.5 and 34.6 are hereby added to Section 34 of the WSPP Agreement:

"34.5 Waiver of Jury Trial. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THIS AGREEMENT.

34.6 LIMITATION OF DAMAGES. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT AND ANY CONFIRMATION SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION OF THIS AGREEMENT OR ANY CONFIRMATION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A CONFIRMATION, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION SET FORTH IN THIS AGREEMENT OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS."

(n) Section 35 of the WSPP Agreement is modified by inserting the following paragraph between the first and second sentences:

"The Parties agree that each Party's business consists in whole or in part of entering into forward contracts as or with merchants in capacity or energy, which is presently the subject of dealing in the forward contract trade. The Parties further agree that the transactions entered into pursuant to any Confirmations hereunder (as provided in Article 32 of the WSPP Agreement) are forward contracts involving the sale of capacity and/or energy, which are presently the subject of dealing in the forward contract trade. No Party shall assert before any court or other governmental authority either that another Party is not, or shall not be treated as, a forward contract merchant or that the transaction entered into pursuant, to any Confirmations hereunder (as provided in Article 32 of the WSPP

DocuSign Envelope ID: A226E42E-2B84-4624-8D1D-2B3AF8172F

Agreement) are not, or shall not be treated as, forward contracts under the United States Bankruptcy Code."

(o) The following phrase is inserted at the beginning of Section 37 of the WSPP Agreement:

"On the date of entering into this Confirmation and throughout the Delivery Period,"

(p) Section 37 of the WSPP Agreement is further modified by adding the following new paragraph at the end:

"Further and with respect to a Party that is a Governmental Entity or Public Power System, such Governmental Entity or Public Power System represents and warrants to the other Party continuing throughout the term of this Confirmation, as follows: (i) all acts necessary to the valid execution, delivery and performance of this Confirmation, including without limitation, competitive bidding, public notice, election, referendum, prior appropriation or other required procedures, has or will be taken and performed as required under the Joint Exercise of Powers Act of California (Government Code Section 6500 et seq.), and the Governmental Entity or Public Power System's ordinances, bylaws or other regulations, (ii) all persons making up the governing body of Governmental Entity or Public Power System are the duly elected or appointed incumbents in their positions and hold such positions in good standing in accordance with applicable law, (iii) entry into and performance of this Confirmation by Governmental Entity or Public Power System are for a proper public purpose within the meaning of all relevant constitutional, organic or other governing documents and applicable law, (iv) the term of this Confirmation does not extend beyond any applicable limitation imposed by relevant constitutional, organic or other governing documents and applicable law, (v) the Governmental Entity or Public Power System's obligations to make payments hereunder are unsubordinated obligations and such payments are (a) operating and maintenance costs (or similar designation) which enjoy first priority of payment at all times under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law or (b) otherwise not subject to any prior claim under any and all bond ordinances or indentures to which it is a party, the Act and all other relevant constitutional, organic or other governing documents and applicable law and are available without limitation or deduction to satisfy all Governmental Entity or Public Power System' obligations hereunder and under each Transaction or (c) are to be made solely from a Special Fund, (vi) entry into and performance of this Agreement and each Confirmation by the Governmental Entity or Public Power System will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any obligation of Governmental Entity or Public Power System otherwise entitled to such exclusion, and (vii) obligations to make payments hereunder do not constitute any kind of indebtedness of Governmental Entity or Public Power System or create any kind of lien on, or security interest in, any property or revenues of Governmental Entity or Public Power System which, in either case, is proscribed by any provision of relevant constitutional, organic or other governing documents and applicable law, any order or judgment of any court or other agency of government applicable to it or its assets, or any contractual restriction binding on or affecting it or any of its assets."

(q) Section 41 "Witness" of the WSPP Agreement shall become Section 42 and the following "Mobile Sierra" Section shall be inserted as Section 41:

"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:

To the fullest extent permitted by Applicable Law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by Applicable Law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in Applicable Law or market conditions that may occur."

(r) Exhibit D of the WSPP Agreement is deleted and replaced with:

"Exhibit D - RESERVED".

5.6 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 or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation as a PDF attachment to an email shall be the same as delivery of a manually executed signature page.

5.7 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.

DocuSign Envelope ID: A[illegible]F

AGREED AS OF THE EFFECTIVE DATE: August 29, 2023

ELK HILLS POWER, LLC

DocuSigned by:
Parks Wesson
ACE29092A59640B...

By:_____
Name: J. Parks Wesson
Title: Director - Marketing

DocuSigned by:
Joseph Alves
3FDE7C41D238499...

By:_____
Name: Joseph Alves
Title: Manager – Power Marketing

SILICON VALLEY CLEAN ENERGY AUTHORITY

DocuSigned by:
Girish Balachandran
[illegible]

By:_____
Name: Girish Balachandran
Title: CEO

[*Signature Page to Resource Adequacy Confirmation Agreement*]

DocuSign Envelope ID: A126E42-2E84-4624-8D1D-2B3F1725F

APPENDIX A
DEFINED TERMS

"CAISO" means the California ISO and any successor entity.

"Capacity Attributes" means attributes of the Unit that may be counted toward Compliance Obligations, including: flexibility, dispatchability, physical location or point of electrical interconnection of the 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 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.

"CPUC Decisions" means any currently effective or future decisions, resolutions, or rulings related to resource adequacy.

"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 Unit, any and all resource adequacy attributes of the 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.

"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.

"LSE" means "Load Serving Entity" as such term is used in Section 40.9 of the Tariff.

"MW" means megawatt.

"Notification Deadline" is twenty (20) Business Days before the relevant deadlines for the corresponding Compliance Showings applicable to the relevant Showing Month.

"Product" means RAR, Local RAR and FCR that is specified and marked applicable 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 Purchaser under this Transaction.

DocuSign Envelope ID: A126[illegible]

"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 Purchaser under this Transaction.

"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.

"Replacement Price" means the price at which Purchaser, acting in a commercially reasonable manner, purchases a replacement for any Product specified in this Confirmation but not delivered by Seller, plus costs reasonably incurred by Purchaser in purchasing such substitute Product, or at Purchaser's option, the market price for such Product not delivered as determined by Purchaser in a commercially reasonable manner; provided, however, in no event shall such price include any penalties, ratcheted demand or similar charges, nor shall Purchaser be required to utilize or change its utilization of its owned or controlled assets or market positions to minimize Purchaser's liability.

"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 a Unit 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 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 and any other generating unit that is capable of supply the Contract Quantity of Product during the Delivery Period.

"Unit EFC" means Unit Effective Capacity and is the lesser of that of the Unit as set by CAISO as of the Effective Date and that of the Unit on a subsequent date of determination.

"Unit NQC" means Unit Net Qualifying Capacity and is the lesser of that of the Unit as set by CAISO as of the Effective Date and that of the Unit on a subsequent date of determination.

DocuSign Envelope ID: [redacted]

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: North
MCC Bucket: 4 (All Hours – planned availability is unrestricted)
CPUC Local Area (if applicable):
Flexible Capacity Category (if applicable):

Delivery Period: [redacted]

Contract Quantity and Contract Price:

RAR and Local RAR, as applicable

Showing Month and Year	Contract Quantity (MW)	Contract Price ($/kW-mo.)
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]

DocuSign Envelope ID: A126E[illegible]

Unit 1

Unit Specific Information	
Resource Name	Elk Hills Power
Physical Location	4026 Skyline Road, Tupman, CA
CAISO Resource ID	_ ELKHIL_2_PL1X 3_____
SCID of Resource	EMM2
Unit NQC by month (e.g., Jan=50,Feb=65):	380 MWs
Unit EFC by month (e.g., Jan=30, Feb=50)	_171 MWs_____
Resource Type (e.g., gas, hydro, solar, etc.)	Natural Gas Fired
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	N/A
TAC Area (e.g., PG&E, SCE)	PG&E
Prorated Percentage of Unit Factor	_____
Prorated Percentage of Unit Flexible Factor	
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	CAISO North System
Resource Category as defined by the CPUC (DR, 1, 2, 3, 4)	4 (All Hours – planned availability is unrestricted)

APPENDIX C
NOTICE INFORMATION

Seller: Elk Hills Power, LLC	**Purchaser:** Silicon Valley Clean Energy Authority
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

WSPP RESOURCE ADEQUACY CONFIRMATION

This confirmation ("**Confirmation**") confirms the transaction between Chevron Power Holdings Inc. ("**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 11, 2023 (the "**Effective Date**"), by which Seller agrees to sell and deliver, and Purchaser agrees to purchase and receive, the Product (the "**Transaction**"). This Transaction shall be subject to the terms and conditions of the Western Systems Power Pool Agreement (Effective Version: August 26, 2022) as amended from time to time (the "**WSPP Agreement**") to which both Seller and Purchaser are members. The WSPP Agreement and this Confirmation shall be collectively referred to herein as the "**Agreement**". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPP Agreement or the Tariff (as applicable). To the extent the terms of this Confirmation conflict with the WSPP Agreement, the terms of this Confirmation shall control.

SECTION 1 TRANSACTION TERMS

☐ **Flexible RA Product:**

Seller shall provide Purchaser with FCR Attributes from the Units in the amount of the Contract Quantity.

☐ **Firm RA Product:**

Seller shall provide Purchaser 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 other than an Uncontrollable Force, then Seller shall have the option to supply Alternate Capacity 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, the Seller shall be liable for damages and/or required to indemnify Purchaser for penalties or fines pursuant to the terms of Section 3.4.

☒ **Contingent Firm RA Product:**

Seller shall provide Purchaser 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 adjustment of the Contract Quantity of any Unit in accordance with Section 3.2, Seller shall have the option to notify Purchaser that either (a) Seller will not provide the portion of 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 3.3. 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 3.2, then Seller shall have the option to supply Alternate Capacity pursuant to Section 3.3 to fulfill the remainder of the Contract Quantity during such period or Seller shall be liable for damages and/or required to indemnify Purchaser for penalties or fines pursuant to the terms of Section 3.4.

SECTION 2 COMMERCIAL TERMS; UNIT INFORMATION

COMMERCIAL TERMS	
Delivery Period:	[redacted].
Delivery Point:	the CAISO Control Area, and if applicable, the LAR region in which the Unit is electrically interconnected.

	Delivery Period	Contract Quantity (MW)	Contract Price ($/kW-month)	Resource ID
Contract Quantity, Contract Price and Resource ID:	[redacted]			OMAR_2_UNIT 1
				OMAR_2_UNIT 2
				OMAR_2_UNIT 4
				OMAR_2_UNIT 4
				OMAR_2_UNIT 1
				OMAR_2_UNIT 4
				OMAR_2_UNIT 4
				SYCAMR_2_UNIT 1

UNIT INFORMATION			
Name:	Kern River Cogen Facility	Kern River Cogen Facility	Kern River Cogen Facility
Location:	Bakersfield, CA	Bakersfield, CA	Bakersfield, CA
CAISO Resource ID:	OMAR_2_UNIT 1	OMAR_2_UNIT 2	OMAR_2_UNIT 4
Product Type (Flexible or Generic):	Generic	Generic	Generic
Unit NQC (If Generic):	75	75	75
Unit EFC (If Flexible):	NA	NA	NA
Resource Type:	Gas Cogen	Gas Cogen	Gas Cogen
Resource Category (1, 2, 3 or 4):	4	4	4
Point of Interconnection with the CAISO Controlled Grid (“Substation”):	NA	NA	NA
Flexible RAR Category (1, 2 or 3):	NA	NA	NA
Path 26 (North, South or None):	South 26	South 26	South 26
LAR Attributes (Yes or No):	No	No	No
Local Capacity Area (if any, as of Effective Date):	BCV	BCV	BCV
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment:	None	None	None
Run Hour Restrictions:	None	None	None
Flexible Capacity Category (Base/Peak/Super-peak) (as of the Effective Date):	NA	NA	NA

UNIT INFORMATION	
Name:	Sycamore Cogen Facility
Location:	Bakersfield, CA
CAISO Resource ID:	SYCAMR_2_UNIT 1
Product Type (Flexible or Generic):	Generic
Unit NQC (If Generic):	74
Unit EFC (If Flexible):	NA
Resource Type:	Gas Cogen
Resource Category (1, 2, 3 or 4):	4
Point of Interconnection with the CAISO Controlled Grid ("Substation"):	NA
Flexible RAR Category (1, 2 or 3):	NA
Path 26 (North, South or None):	South 26
LAR Attributes (Yes or No):	No
Local Capacity Area (if any, as of Effective Date):	BCV
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment:	None
Run Hour Restrictions:	None
Flexible Capacity Category (Base/Peak/Super-peak) (as of the Effective Date):	NA

SECTION 3 DELIVERY OBLIGATIONS AND ADJUSTMENTS

3.1 **Sale and Delivery of Product.**

(a) For each Showing Month of the Delivery Period, Seller will sell and deliver to Purchaser, and Purchaser will purchase and receive from Seller, the Expected Contract Quantity of the Product from the Shown Unit(s). The Product does not confer to Purchaser any right to the electrical output from the Units, other than the right to include the Expected Contract Quantity associated with the Contract Quantity in RAR Showings, LAR Showings, and FCR Showings, as applicable, and any other capacity or resource adequacy markets or proceedings as specified in this Confirmation Seller retains the right to sell pursuant to the Tariff any RA Capacity from a Unit that is in excess of that Unit's Contract Quantity and any RAR Attributes, LAR Attributes or FCR Attributes not otherwise transferred, conveyed, or sold to Purchaser under this Confirmation.

(b) Seller will deliver the Expected Contract Quantity by submitting to CAISO in its Supply Plan the Shown Unit and the characteristics of the Shown Unit and Product for Purchaser, all in compliance with this Confirmation.

(c) Seller will cause all Supply Plans to meet and be filed in conformance with the requirements of the CPUC and the Tariff. Seller will submit, or cause the Shown Unit's Scheduling Coordinator 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 Purchaser for each Showing Month of the Delivery Period. The total amount of Product identified and confirmed for each day of such Showing Month will equal the Expected Contract Quantity.

(d) Seller will sell and deliver from a Shown Unit. Seller will identify the Shown Unit(s) and Expected Contract Quantity by providing Purchaser with the Unit Information 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 in any Showing Month, the Parties will 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 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 by CAISO. Seller has failed to deliver the Product if (i) 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 3.1(e)**,** or (ii) 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 and the Product in its Resource Adequacy Plan with the CPUC or CAISO.

3.2 **Adjustments to Contract Quantity.**

(a) Uncontrollable Force. 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 outage which exist due to such Uncontrollable Force.

(b) Planned Outages. 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 Purchaser no later than the Notification Deadline applicable to that Showing Month of the amount of Product from the Unit Purchaser is permitted to 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.

(c) Unit NQC Adjustments. If Product is both (i) Generic RA Product, and (ii) Contingent Firm RA Product, then Seller's obligation to deliver the applicable Contract Quantity for any Showing Month may also be reduced if the Unit experiences a reduction in Unit NQC, as determined by the CAISO. Seller's potential reduction in Contract Quantity for each remaining Showing Month shall equal the product of (a) the applicable Showing Month Contract Quantity and (b) the total amount (in MW) that the Unit NQC was reduced since the Effective Date, divided by (c) Unit NQC as of the Effective Date. If the Unit experiences such a reduction in RA Capacity, then Seller has the option, but not the obligation, to provide the applicable Contract Quantity for such Showing Month from (i) the same Unit, provided the Unit has sufficient remaining and available Product and/or (ii) from

Replacement Units, provided, that in each case Seller provides and identifies such Replacement Units in accordance with Section 3.3.

(d) Unit EFC Adjustments. If Product is both (i) Flexible RA Product, and (ii) Contingent Firm RA Product, then Seller's obligation to deliver the applicable Contract Quantity of Product for any Showing Month may also be reduced if the Unit experiences a reduction in Unit EFC as determined by the CAISO. Seller's potential reduction in Contract Quantity for each remaining Showing Month shall equal the product of (a) the applicable Showing Month Contract Quantity and (b) the total amount (in MW) Unit EFC was reduced since the Effective Date, divided by (c) Unit EFC as of the Effective Date. If the Unit experiences such a reduction in Unit EFC, then Seller has the option, but not the obligation, to provide the applicable Contract Quantity for such Showing Month from (i) the same Unit, provided the Unit has sufficient remaining and available Product and/or (ii) from Replacement Units, provided, that in each case Seller provides and identifies such Replacement Units in accordance with Section 3.3.

3.3 **Seller's Option to Provide Alternate Capacity.**

If Seller elects to provide Alternate Capacity pursuant to the transaction terms elected in Section 1 or Seller desires to provide the Contract Quantity for any Showing Month from a different generating unit other than the Unit, then Seller may, at no cost to Purchaser, provide Purchaser with Alternate Capacity from one or more Replacement Units in an amount such that the total amount of Product provided to Purchaser from the Unit and Replacement Units for each day of the Showing Month is not more than the Contract Quantity for the applicable Showing Month, provided that Seller notifies Purchaser by the Notification Deadline of its intent to provide replacement Product and identify Replacement Units meeting all of the requirements of this Confirmation. Once Seller has identified in writing any Replacement Units that meet the requirements of this section then any such Replacement Units shall be automatically deemed a Unit for purposes of this Confirmation for that Showing Month.

3.4 **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, Purchaser may enter into purchase transactions with one or more parties to replace any portion of Expected Contract Quantity not provided by Seller ("**Replacement Capacity**"). Purchaser shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity; provided that Purchaser shall not be required to utilize or change the dispatch of other resources in its portfolio. Seller shall pay to Purchaser at the time set forth in Section 9 of the WSPP Agreement, the following damages in lieu of damages specified in Section 21 of the WSPP Agreement: an amount equal to the positive difference, if any, between (i) the sum of (A) the actual cost paid by Purchaser for any Replacement Capacity, plus (B) each Capacity Replacement Price times the amount of the Expected Contract Quantity neither provided by Seller nor purchased by Purchaser, and (ii) the Expected Contract Quantity not provided for the applicable Showing Month times the Contract Price for that month.

(b) Seller shall indemnify, defend and hold harmless Purchaser from any penalties, fines or 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.

(c) If Seller fails to pay the foregoing damages, penalties, fines or costs, or fails to reimburse Purchaser for those damages, penalties, fines or costs, then, without prejudice to its other

rights and remedies, Purchaser may setoff and recoup those damages, penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation or the WSPP Agreement pursuant to Section 28 of the WSPP Agreement.

3.5 **Purchaser's Re-Sale of Product.**

(a) Purchaser may re-sell all or a portion of the Product hereunder; provided, that any such re-sale must not increase Seller's obligations hereunder other than as set forth in this Section 3.5(a). 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 Shown Unit'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 Shown Unit's SC, to take all commercially reasonable actions 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 Shown Unit'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 two (2) Business Days before the Compliance Showing Deadline for each Showing Month for which Purchaser has resold the Product.

(c) If CAISO or CPUC develops a centralized capacity market, Purchaser will have exclusive rights to offer, bid, or otherwise submit, or if necessary to direct the Seller or the Unit's SC to offer, bid, or otherwise submit the Expected Contract Quantity of Product for each Showing Month for re-sale into such market, and Seller and the Unit's SC shall comply with the Purchaser's direction and Purchaser shall retain and receive all revenues from such re-sale.

SECTION 4 PAYMENTS

4.1 **Payment.**

In accordance with the terms of Section 9 of the WSPP Agreement, Purchaser shall make a payment to Seller, in arrears after the applicable Showing Month, equal to the product of (a) the applicable Contract Price for that Showing Month, (b) the Expected Contract Quantity for the Showing Month, and (c) 1,000; provided, however, that the payment shall be adjusted to reflect any portion of the Expected Contract Quantity for the Showing Month that was not delivered. The final product of this calculation shall be rounded to the nearest penny (i.e., two decimal places).

4.2 **Allocation of Other Payments and Costs.**

Seller may retain any revenues it may receive from the CAISO or any other third party with respect to any Unit for (i) start-up, shut-down, and minimum load costs, (ii) capacity revenue for ancillary services, (iii) energy sales and flexible product sales, (iv) any revenues for black start or reactive power services, or (v) the sale of the unit-contingent call rights on the generation capacity of the Unit to provide energy to a third party, so long as such rights do not confer on such third party the right to claim any portion of the RA Capacity sold hereunder in order to make an RAR Showing, LAR Showing, FCR Showing, or any similar capacity or resource adequacy showing with the CAISO or CPUC. Purchaser acknowledges and agrees that all Availability Incentive Payments are for the benefit of Seller and for Seller's account, and that Seller shall receive, retain, or be entitled to receive all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards. The Parties acknowledge and agree that any Non-Availability Charges are the responsibility of Seller, and for Seller's account and Seller shall be responsible for all fees, charges, or penalties, if any, resulting from Seller failing to achieve Availability Standards.

SECTION 5 OTHER PURCHASER AND SELLER COVENANTS

5.1 CAISO Requirements.

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event of Force Majeure that results in a partial or full Outage of that Unit, Seller shall either schedule or cause the Unit's Scheduling Coordinator 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 Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff relating to the Product. Purchaser shall have no liability for the failure of Seller or the failure of any Unit's Scheduling Coordinator, owner, or operator to comply with such Tariff provisions, including any penalties or fines imposed on Seller or the Unit's Scheduling Coordinator, owner, or operator for such noncompliance.

5.2 Seller's and Purchaser's Duties to Take Actions to Allow Product Utilization.

Throughout the Delivery Period, Purchaser and Seller will 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, provided that neither party is required to spend more than $10,000 in total in support of such actions) shall include, without limitation cooperating with and providing, and in the case of Seller causing each Shown Unit's Scheduling Coordinator, owner, or operator to cooperate with and provide, requested supporting documentation to the CAISO, the CPUC, or any other Governmental Body responsible for administering the applicable Compliance Obligations under Applicable Laws, including to demonstrate that the Expected Contract Quantity can be delivered to the CAISO controlled grid for the minimum hours required to qualify as RA Capacity, pursuant to the "deliverability" standards established by the CAISO or other Governmental Body of competent jurisdiction.

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, provided that Seller shall not be required to incur any third party costs or agree to any material modifications to this Agreement.

5.3 Seller's Representations and Warranties.

Seller represents and warrants to Purchaser throughout the delivery period that:

(a) During the Delivery Period, no part of the Contract Quantity 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 qualifies under the Tariff for the Product, and the Shown Unit 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 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; and

(d) if applicable, Seller has notified either the Shown Unit's Scheduling Coordinator or the entity from which Seller purchased the Product that Seller has transferred the Contract Quantity of Product for the Delivery Period to Purchaser.

5.4 Market Based Rate Authority.

Seller agrees, in accordance with FERC Order No. 697, to, upon reasonable request of Purchaser, 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 also agrees that it will 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.

SECTION 6 GENERAL PROVISIONS

6.1 **Confidentiality.**

Notwithstanding Section 30.1 of the WSPP Agreement, the Parties agree that Purchaser may disclose the Expected Contract Quantity under this Transaction to any Governmental Body, the CPUC, the CAISO or any LRA having jurisdiction in order to support its LAR Showings, RAR Showings, and/or FCR Showings, as applicable, and Seller may disclose the transfer of the Expected Contract Quantity under this Transaction to the Scheduling Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans. Seller acknowledges that Purchaser is a public agency subject to the requirements of the California Public Records Act (Cal. Gov. Code section 7920 et seq.).

6.2 **Change in Law.**

If any action by the CPUC, CAISO or any Governmental Body having jurisdiction, or any change in Applicable Laws, occurring after the 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, 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.

6.3 **Change in RA Requirements.**

If, after the Effective Date, the CAISO or the CPUC (a) replaces NQC as the value utilized to measure the qualifying capacity of a Unit that can be applied toward compliance with RAR, or (b) otherwise changes the methodology for calculating the Unit NQC or the applicable successor value such as unforced capacity (UCAP), such that the Unit NQC or applicable successor value of a Unit would be reduced (each a "**Change in RA Requirements**"), then from and after each such Change in RA Requirements (i) Seller will provide notice to Purchaser stating the equivalent amount of qualifying capacity of a Unit described in Section 2 that can be applied toward compliance with RAR following the Change in RA Requirements (the "**Compliance Adjusted Unit NQC**"), and (ii) Seller will be excused from delivering the portion of the Contract Quantity equal to the difference between the Unit NQC as calculated under the CPUC and CAISO resource adequacy counting rules as of the Effective Date, minus the Compliance Adjusted Unit NQC applicable after the Change in RA Requirements.

6.4 **No Recourse to Members of Purchaser**

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

6.5 **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 or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation by electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.

6.6 **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.

6.7 **Notices.**

The representative and contact information of each Party are as set out in Appendix A. Each Party may change its representative or contact information by notice to the other Party.

6.8 **Dodd-Frank Act.**

THE PARTIES INTEND THIS TRANSACTION TO BE A "CUSTOMARY COMMERCIAL ARRANGEMENT" AS DESCRIBED IN SECTION II.A.1 OF COMMODITY FUTURES TRADING COMMISSION, PROPOSED GUIDANCE, CERTAIN NATURAL GAS AND ELECTRIC POWER CONTRACTS, 81 FED. REG. 20583 AT 20586 (APR. 8, 2016) AND A "FORWARD CAPACITY TRANSACTION" WITHIN THE MEANING OF COMMODITY FUTURES TRADING COMMISSION, FINAL ORDER IN RESPONSE TO A PETITION FROM CERTAIN INDEPENDENT SYSTEM OPERATORS AND REGIONAL TRANSMISSION ORGANIZATIONS TO EXEMPT SPECIFIED TRANSACTIONS AUTHORIZED BY A TARIFF OR PROTOCOL APPROVED BY THE FEDERAL ENERGY REGULATORY COMMISSION, 78 FED. REG. 19,880.

SECTION 7 WSPP AGREEMENT CHANGES

7.1 **WSPP Agreement Changes.**

For this Transaction, the WSPP Agreement shall be amended as follows:

(a) Section 9.4 is deleted in its entirety and replaced with the following:

"In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, 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. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in writing within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve

(12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived."

(b) Section 22.1 is modified by inserting the following new text after "(d)" and renumbering "(e)" to "(i)":

"(e) the failure of the Defaulting Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default, and except for such Party's obligations to deliver or receive the quantities of capacity and/or energy due under this Agreement, the exclusive remedy for which is provided in Section 21.3) if such failure is not remedied within ten (10) Business Days after written notice;

(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 pay its debts generally 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."

(c) Section 22.2(b) 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.

(d) Section 22.3 is amended by:

(i) In Section 22.3(b), replacing the second sentence thereof with "The "Present Value Rate" shall be determined by the Non-Defaulting Party in a commercially reasonable manner.";

(ii) In Section 22.3(c), deleting the third sentence thereof and replacing it with the following:

"If the Non-Defaulting Party's aggregate Gains exceeds its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Termination Payment for all such Terminated Transactions shall be zero, notwithstanding any provision in this Section in this Confirmation or Agreement to the contrary."

(iii) In Section 22.3(e), delete the entire provision (including subsections) and replace it with the following: "[intentionally omitted]";

(iv) 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."

(e) Section 24 of the is deleted and replaced with the following:

"This Agreement and any Confirmation 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."

(f) The netting provisions of Section 28, NETTING, shall apply to the transaction covered by this Confirmation as if Purchaser and Seller had both executed Exhibit A, NETTING, to the Agreement. Both Parties intend for the netting provisions of Exhibit A to the Agreement to be effective on the Effective Date.

(g) Section 30.1 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 are hereby deleted and replaced with the following:

"34.1 WAIVER OF JURY TRIAL

EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT (WHETHER BASED IN CONTRACT, TORT OR ANY OTHER THEORY) AND HEREBY (i) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (ii) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION."

"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; provided, however, that the following new Section 34.5 shall not limit Purchaser's right to recover from Seller, or Seller's obligation to pay Purchaser, any and all amounts owed under Section 4.8 of this Confirmation, including penalties as specified therein:

"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, 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 is amended by inserting the following in the beginning of the section: "On the date of entering into this Confirmation,".

(l) Section 41 "Witness" shall become Section 42 and the following "Standard of Review" Section substituted in its place:

"The Parties agree as follows:

For purposes of this Section, the term "Transaction" means a specific sale and purchase, or an option for sale and purchase, of capacity and/or energy to be supplied by one Party to the other Party. 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."

SECTION 8 DEFINITIONS

"**Agreement**" has the meaning specified in the preamble.

"**Alternate Capacity**" means replacement Product from a Replacement Unit which Seller has elected to provide to Purchaser in accordance with the terms of Section 3.3.

"**Applicable Laws**" means any law, rule, regulation, order, decision, judgment, or other legal or regulatory determination by any Governmental Body having jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.

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

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

"**CAISO**" means the California Independent System Operator or its successor.

"**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, howsoever entitled, identified from time to time by the CAISO or a Governmental Body having jurisdiction over Compliance Obligations.

"**Capacity Replacement Price**" means (a) the price actually paid for any Replacement Capacity purchased by Purchaser pursuant to Section 3.4 hereof, plus costs reasonably incurred by Purchaser in purchasing such Replacement Capacity, or (b) absent a purchase of any Replacement Capacity, the market price for such Expected Contract Quantity not delivered. The Purchaser shall determine such market prices in a commercially reasonable manner. For purposes of this Transaction and Confirmation, the "Capacity Replacement Price" shall be deemed to be the "Replacement Price" as defined in the WSPP Agreement.

"**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.

"**Confirmation**" has the meaning specified in the preamble.

"**Contingent Firm RA Product**" has the meaning specified in Section 1.

"**Contract Price**" means the price specified in Section 2.

"**Contract Quantity**" means the amount of Product (in MWs) specified in Section 2.

"**CPUC**" means the California Public Utilities Commission.

"**CPUC Filing Guide**" means the annual document issued by the CPUC which sets forth the guidelines, requirements, and instructions for LSEs to demonstrate compliance with the CPUC's resource adequacy program.

"**CPUC Decisions**" means any currently effective or future decisions, resolutions, or rulings related to resource adequacy.

"**Delivery Period**" has the meaning specified in Section 2.

"**Effective Date**" has the meaning specified in the preamble.

"**Effective Flexible Capacity**" has the meaning set forth in the Tariff.

"**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 for such day of such Showing Month, including the amount of Contract Quantity of Product that Seller has elected to provide Alternate Capacity with respect to for such day, and (b) for Contingent Firm RA Product, the Contract Quantity of Product for such day of such Showing Month, including the amount of Contract Quantity of Product that Seller has elected to provide Alternate Capacity with respect to for such day, less any reductions to Contract Quantity for such day specified in Section 3.2 with respect to which Seller has not elected to provide Alternate Capacity.

"**FCR Attributes**" means, with respect to a Unit, any and all FCR attributes that can be counted toward an LSE's FCR, as they are identified from time to time by the CPUC Decisions, the Tariff, an LRA, or other Governmental Body having jurisdiction that can be counted toward FCR and are consistent with the operational limitations and physical characteristics of such Unit. For clarity, if the CAISO, LRA, or other Governmental Body, defines new or re-defines the FCR Attributes of a Unit, then such change will not result in a change in obligations or payments made pursuant to this Transaction.

"**FERC**" means the Federal Energy Regulatory Commission.

"**Firm RA Product**" has the meaning specified in Section 1.

"**Flexible Capacity Category**" shall be as described in the annual CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

"**Flexible Capacity Requirements**" or "**FCR**" means the flexible capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by an LRA or another Governmental Body having jurisdiction.

"**Flexible RA Product**" has the meaning specified in Section 1.

"**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.

"**LAR Attributes**" means, with respect to a Unit, any and all resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Effective Date by the CPUC Decisions, CAISO, LRA, or other Governmental Body having jurisdiction, associated with the physical location or point of electrical interconnection of the Unit within the CAISO Control Area, that can be counted toward LAR and are consistent with the operational limitations and physical characteristics of such Unit, but exclusive of any RAR Attributes which are not associated with where in the CAISO Control Area the Unit is physically located or electrically interconnected. For clarity, if the CAISO, LRA, or other Governmental Body defines new or re-defines existing local areas, then such change will not result in a change in obligations or payments made pursuant to this Transaction.

"**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.

"**Load Serving Entity**" or "**LSE**" has the meaning set forth in the Tariff.

"**MW**" means megawatt.

"**Net Qualifying Capacity**" or "**NQC**" has the meaning set forth in the Tariff.

"**Notification Deadline**" is fifteen (15) Business Days before the relevant deadlines for the corresponding Compliance Showings applicable to the relevant Showing Month.

"**Party**" and "**Parties**" have the meanings specified in the preamble.
"**Planned Outage**" means, subject to and as further described in the CPUC Decisions and the Tariff (Planned Outage referred to as "Approved Maintenance Outage" under the Tariff), 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, Local RAR or FCR, as specified in Sections 1 and 2.

"**Purchaser**" has the meaning specified in the preamble.

"**RAR Attributes**" means, with respect to a Unit, all resource adequacy attributes, as they are identified as of the Effective Date by the Tariff, the CPUC Decisions, LRA, or any Governmental Body having jurisdiction, that can be counted toward RAR and are consistent with the operational limitations and physical characteristics of such Unit, exclusive of any LAR Attributes or FCR Attributes.

"**RAR Showings**" means the RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and/or, to the extent authorized by the CPUC, to the CAISO), pursuant to the Tariff or CPUC Decisions, or to an LRA having jurisdiction.

"**Replacement Capacity**" has the meaning specified in Section 3.4.

"**Replacement Unit**" means a generating unit of the same resource type and having the same capacity attributes as the Unit(s) originally identified in Section 2 hereof, including the same Resource Category, RAR Attributes, and, as applicable, LAR Attributes, FCR Attributes, and Flexible Capacity Category, and otherwise meeting the requirements of this Confirmation. A Replacement Unit shall not utilize coal or coal materials as a source of fuel, must be a specific resource that is connected directly to the CAISO controlled grid, or be under the operational control of CAISO, and may not be an unspecified import.

"**Resource Adequacy Requirements**" or "**RAR**" means the resource adequacy requirements, exclusive of LAR and FCR, established for LSEs by the CPUC pursuant to the CPUC Decisions, by the Tariff, an LRA, or other Governmental Body having jurisdiction over the Compliance Obligations.

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

"**Seller**" has the meaning specified in the preamble.

"**Showing**" means the LAR Showing, RAR Showing, or FCR Showing, as applicable.

"**Scheduling Coordinator**" has the meaning set forth 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 a Replacement Unit.

"**Subsequent Purchaser**" means the purchaser of Product from Purchaser in a re-sale of Product by Purchaser.

"**Supply Plan**" means the supply plans, or similar or successor filings, that each Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other Governmental Body, pursuant to Applicable Laws, in order for that RA Capacity to count for its RAR Attributes, LAR Attributes, and/or FCR Attributes.

"**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.

"**Transaction**" has the meaning specified in the preamble.

"**Unit**" or "**Units**" shall mean the generation assets described in Section 2 hereof (including any Replacement Units), from which RA Capacity is provided by Seller to Purchaser.

"**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.

"**WSPP Agreement**" has the meaning specified in the preamble.

[SIGNATURE PAGE FOLLOWS]

AGREED AS OF THE EFFECTIVE DATE:

Chevron Power Holdings Inc.

DocuSigned by:

By: _____

88942A5BAAAF4DF...

Name: Brenda McNew

Title: Attorney-in -Fact

Silicon Valley Clean Energy Authority

DocuSigned by:

By: Girish Balachandran

5CA64B9AC4C24C3...

Name: Girish Balachandran

Title: CEO

APPENDIX A
NOTICE INFORMATION

Seller: Chevron Power Holdings Inc.	**Purchaser:** Silicon Valley Clean Energy Authority
Invoices: [redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

DocuSign Envelope ID: 8B2E5A00-8572-4693-A239-5B6EC3684E58

CONFIRMATION OF POWER PURCHASE AND SALE TRANSACTION

Date: August 26, 2023

Transaction Number: 3778505

To: Silicon Valley Clean Energy Authority (Buyer)

Trader:

From: NextEra Energy Marketing, LLC (Seller)

Trader: Ruben Lorenzo

This confirmation confirms the terms and conditions of the physical power transaction entered into between the parties.

Trade Date: August 25, 2023

Type of Transaction: FIRM (LD)

Term: From and including: 01/01/2024
Through: 03/31/2024

Delivery Period:
Hour Type: 7x8
Days of Week: Sunday through Saturday and NERC holidays
Hour Endings: 0100 through 0600
2300 through 2400
Time Zone: Pacific Prevailing Time (PPT)

Hour Type: 6x16
Days of Week: Monday through Saturday excluding NERC holidays
Hour Endings: 0700 through 2200
Time Zone: Pacific Prevailing Time (PPT)

Hour Type: 1x16
Days of Week: Sunday and NERC holidays
Hour Endings: 0700 through 2200
Time Zone: Pacific Prevailing Time (PPT)

Contract Quantity: [redacted]

Total Contract Quantity: [redacted]

Contract Price: $ [redacted]

Delivery Point: TH_NP15_GEN-APND

Scheduling Rules: Seller shall schedule DAY-AHEAD physical delivery of the Contract Quantity to Buyer at the Delivery Point to occur during the applicable Delivery Period in accordance with the rules and procedures of the Transmission Provider.

CONFIRMATION OF POWER PURCHASE AND SALE TRANSACTION

Special Terms:

Governing Terms: Unless otherwise noted in this confirmation, this transaction is governed by the terms and conditions of the Master Agreement between NextEra Energy Marketing, LLC and Silicon Valley Clean Energy Authority executed on March 14, 2019.

Upon receipt:

1. If this confirmation **does not reflect** your understanding of this Transaction please notify the Risk Management Department of NextEra Energy Marketing, LLC by **fax at** [redacted] **or email to** [redacted].
2. If this confirmation reflects your understanding of this Transaction please sign where indicated and **fax to** [redacted]

NextEra Energy Marketing, LLC		**Silicon Valley Clean Energy Authority**	
By:	Nicole Lawrence	By:	DocuSigned by: Girish Balachandran
Name:	Nicole Lawrence	Name:	Girish Balachandran
Title:	Sr. Trading Risk Analyst	Title:	CEO
Date:	August 26, 2023	Date:	9/5/2023
Contact:	phone:[redacted]	Contact:	[redacted]

CONFIRMATION OF POWER PURCHASE AND SALE TRANSACTION

Date: August 26, 2023

Transaction Number: 3778494

To: Silicon Valley Clean Energy Authority (Buyer)

Trader:

From: NextEra Energy Marketing, LLC (Seller)

Trader: Ruben Lorenzo

This confirmation confirms the terms and conditions of the physical power transaction entered into between the parties.

Trade Date: August 25, 2023

Type of Transaction: FIRM (LD)

Term: From and including: 10/01/2023
Through: 12/31/2023

Delivery Period:
Hour Type: 7x8
Days of Week: Sunday through Saturday and NERC holidays
Hour Endings: 0100 through 0600
2300 through 2400
Time Zone: Pacific Prevailing Time (PPT)

Hour Type: 6x16
Days of Week: Monday through Saturday excluding NERC holidays
Hour Endings: 0700 through 2200
Time Zone: Pacific Prevailing Time (PPT)

Hour Type: 1x16
Days of Week: Sunday and NERC holidays
Hour Endings: 0700 through 2200
Time Zone: Pacific Prevailing Time (PPT)

Contract Quantity: [redacted]

Total Contract Quantity: [redacted]

Contract Price: $ [redacted]

Delivery Point: TH_NP15_GEN-APND

Scheduling Rules: Seller shall schedule DAY-AHEAD physical delivery of the Contract Quantity to Buyer at the Delivery Point to occur during the applicable Delivery Period in accordance with the rules and procedures of the Transmission Provider.

CONFIRMATION OF POWER PURCHASE AND SALE TRANSACTION

Special Terms:

Governing Terms: Unless otherwise noted in this confirmation, this transaction is governed by the terms and conditions of the Master Agreement between NextEra Energy Marketing, LLC and Silicon Valley Clean Energy Authority executed on March 14, 2019.

Upon receipt:

1. If this confirmation **does not reflect** your understanding of this Transaction please notify the Risk Management Department of NextEra Energy Marketing, LLC by **fax at** [redacted] **or email to** [redacted].
2. If this confirmation reflects your understanding of this Transaction please sign where indicated and **fax to** [redacted].

NextEra Energy Marketing, LLC

By: Nicole Lawrence

Name: Nicole Lawrence
Title: Sr. Trading Risk Analyst
Date: August 26, 2023
Contact: phone:[redacted]

Silicon Valley Clean Energy Authority

By: DocuSigned by: Girish Balachandran 5CAB4B8AC4C24C3...

Name: Girish Balachandran
Title: CEO
Date: 9/5/2023
Contact: [redacted]

DocuSign Envelope ID: 3E7A4B25E7-C1A444FE28-B3E8-EA7ECDX63A9DA

CONFIRMATION

This confirmation agreement ("Confirmation") confirms the Transaction between **TransAlta Energy Marketing (U.S.) Inc.** ("Seller") and **Silicon Valley Clean Energy Authority** ("Purchaser"), each individually a "Party" and together the "Parties," dated as of August 25, 2023 ("Effective Date") regarding the sale and purchase of electric capacity and/or electric energy under the terms and conditions set forth below.

Transaction Number:	1267852 (Q3-24)
Purchaser:	Silicon Valley Clean Energy Authority
Seller:	TransAlta Energy Marketing (U.S.) Inc.
Trade Date:	August 25, 2023
Type of Transaction:	Inter-SC Trade
Term and Delivery Period:	July 1, 2024, through September 30, 2024, for all hours Monday through Sunday, including NERC Holidays, beginning Hour Ending ("HE") HE0100 through 2400 (24Hours) Pacific Prevailing Time (PPT)
Contract Quantity:	[redacted]
Contract Volume:	[redacted]
Contract Price:	[redacted]
Delivery Point:	CAISO NP15

Governing Terms: This Transaction is governed by the terms and conditions of the EEI Master Agreement dated July 24, 2017, as amended August 15, 2019, along with any schedules and amendments thereto (collectively, the "Master Agreement"), and is subject to all the terms and provisions of such agreement. The Master Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". If there is any conflict between the terms set forth in this Confirmation and the Master Agreement, the terms set forth in this Confirmation shall govern. Capitalized terms not otherwise defined in this Confirmation have the meanings ascribed to them in the Master Agreement.

Counterparts: This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the 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.

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

DocuSign Envelope ID: 3E7A4B25E7-FC2A444AE28-B3E83-EA7ECDX63A9DA

Parties relating to the contemplated purchase and sale of the Product. Notwithstanding any other provision of the Agreement, this Confirmation may be entered into only by a written agreement executed by both Parties, and no amendment or modification to this Confirmation shall be enforceable except through a written agreement executed by both Parties.

ACKNOWLEDGED AND AGREED TO AS OF THE CONFIRMATION EFFECTIVE DATE.

TRANSALTA ENERGY MARKETING (U.S.) Inc.	**SILICON VALLEY CLEAN ENERGY AUTHORITY**
By: Shauna Britton	By: DocuSigned by: Girish Balachandran 5CA64B9AC4C24C3...
Name: Shauna Britton	Name: Girish Balachandran
Title: Confirmations Coordinator	Title: CEO
Date: 2023/08/29	Date: 9/5/2023

DocuSign Envelope ID: B5927B52-EE38-4F31-9CB4-E8D57A02B7E5

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 25th, 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, ancillary services, or MTR Attributes (if applicable) of the Unit(s) which shall all be retained by the seller.

Delivery Period: [redacted]

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

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Firm RA Product

Seller's obligation to deliver the Contract Quantity of Product for each day included in the Delivery Period is firm and will not be excused for any reason.

DocuSign Envelope ID: B5720B52-EE38-4F3D-9CB4-E8D57A02B7E5

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(s) other than the Shown Unit(s) 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. If applicable, the Alternate Units shall have Flexible Capacity Categories and Maximum Cumulative Capacity Categories (MCC Buckets) that are reasonably acceptable to Buyer, if different than those listed in Appendix B.

(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.

DocuSign Envelope ID: B5720B52-EE38-4331-9B41-E8D57A02B7E5

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:

$$Monthly\ Payment = Q \times P \times CF$$

where:

Q = The Contract Quantity of Product to be delivered by Seller to Buyer pursuant to Appendix B and consistent with Section 2.4 for the Showing Month

P = The Contract Price for the Showing Month, expressed in dollars per kW-month, as stated in Appendix B

CF = The conversion factor equal to 1,000 kW per MW

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

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

3.2 Allocation of Other Payments and Costs

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

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

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

(b) Buyer shall be entitled to receive and retain all revenues associated with the Contract Quantity (including any capacity revenues from RMR Contracts for the Unit, Capacity Procurement Mechanism, or its successor, RUC Availability Payments, or its successor, but excluding payments described in Section 3.2(a)(i)-(v)).

(c) 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.

(d) 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.

(e) 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.

DocuSign Envelope ID: B5720B52-EE38-4331-9B91-E8D57A02B7E5

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

DocuSign Envelope ID: B5927B5F-EE38-4F3D-9CF9-E8D57A02B7E5

transferred the Contract Quantity for each day of the Delivery Period to Buyer, or, if applicable, to a subsequent purchaser.

(b) Seller represents and warrants to Buyer as of the date of the relevant Compliance Showing, that Seller owns or has the exclusive right to the Product sold under this Confirmation from the Unit;

(c) Seller covenants as follows:

(i) Seller shall not offer, and shall ensure that the Unit's Scheduling Coordinator does not offer, any portion of the Contract Quantity for any day during the Delivery Period to CAISO as CPM Capacity. However, if CAISO designates any portion of the Contract Capacity as CPM Capacity, then Seller shall promptly notify Buyer, or shall cause the Unit's Scheduling Coordinator to promptly notify Buyer within one (1) Business Day of the time Seller receives notification from CAISO. If CAISO makes such a designation, Seller shall not accept, and shall ensure that the Unit's Scheduling Coordinator does not accept, any such designation by CAISO unless and until Buyer has agreed to accept such designation; and

(ii) Seller shall, upon request, furnish Buyer, CAISO, CPUC or other applicable Governmental Body evidence that its representation made in Section 5.2(c)(i) is true and correct

(d) Each Party covenants to the other Party throughout the Delivery Period to comply with the Tariff, relating to the Product.

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

DocuSign Envelope ID: B5720B52-EE38-4F3D-9CB4-E8D57A02B7E5

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

DocuSign Envelope ID: B5927B52-EE38-4F3D-9CF9-E8D57A02B7E5

Amount shall not apply for that time period during which all such conditions are satisfied:

(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.

(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 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."

DocuSign Envelope ID: FD727F5F-EC18-433D-AB41-2D474A677675

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: DocuSigned by: Girish Balachandran 3CA6...B9AC4C24C3...	By: John McHugh
Name: Girish Balachandran	Name: John McHugh
Title: CEO	Title: Expert Portfolio Management Analyst
Date: 9/15/2023	Date: 9/18/2023

DocuSign Envelope ID: B5720B52-EE38-4331-9CB4-E8D57A02B7E5

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.

DocuSign Envelope ID: B5720B52-EE38-4B31-9CB9-E8D57A02B7E5

"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.

"Maximum Cumulative Capacity Category", also referred to as "MCC Bucket," has the meaning set forth in the most recently published edition of the CPUC Filing Guide as of the Confirmation Effective Date.

"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.

"MTR Attributes" means, with respect to a generating unit, the accounting, tagging, filing, or other reporting constructs associated with the generating unit that can be counted towards demonstrating compliance with an LSEs obligation to procure incremental resources as described in Ordering Paragraph 1 of CPUC Decision 21-06-035."

DocuSign Envelope ID: B5720B52-EE38-4B31-9CB9-1E8D57A02B7E5

"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.

DocuSign Envelope ID: B5927B52-EE38-4F3D-9CB4-E8D57A02B7E5

"Unit EFC" means, with respect to a Unit on any date of determination, the lesser of the Effective Flexible Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.

"Unit NQC" means, with respect to a Unit on any date of determination, the lesser of Net Qualifying Capacity of the Unit as set by CAISO as of (x) the Confirmation Effective Date and (y) such date of determination.

DocuSign Envelope ID: FD727F5F-EC18-433D-AB41-2D474A677675

APPENDIX B
PRODUCT AND PRICE INFORMATION

Product means Capacity Attributes with the following characteristics.

Showing Month and Year	Path (North, South)	RAR Quantity (MW)	Capacity Area*	FCR Quantity, if any (MW)	Flexible Capacity Category (1,2,3)	MCC Bucket (1,2,3,4)	Contract Price ($/kW-month)	SCID of Benefitting LSE
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

* 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.

To the extent that Seller provides FCR Attributes from Unit(s) for which the total Unit EFC exceeds the total Unit NQC and the sale of the FCR Contract Quantity from the Unit would leave FCR Attributes unusable by either Party, then Seller shall provide those additional FCR Attributes associated with the Contract Quantity provided by such Unit to Buyer at no additional cost. The Parties acknowledge that this may result in the total FCR Attributes delivered exceeding the FCR Contract Quantity and Contract Quantity listed above in any given Showing Month.

DocuSign Envelope ID: FD727F5F-EC18-433D-AB41-2D474A677675

APPENDIX C
SUBSEQUENT SALE INFORMATION

Contract Key ID:	
Benefitting LSE SCID:	
Generic Volume (in MW):	
Local Volume (in MW and by local area):	
Flexible Volume (in MW):	
Term:	

DocuSign Envelope ID: B5720B52-EE38-4331-9B91-E8D57A02B7E5

APPENDIX D
NOTICE INFORMATION

Name: Silicon Valley Clean Energy Authority, a California joint powers authority

("Party A")
All Notices:

[redacted]

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:

[redacted]

[redacted]

DocuSign Envelope ID: B5927B52-EE38-4F31-9CB4-E8D57A02B7E5

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 the Master Power Purchase and Sale Agreement dated **[insert date of the Master Agreement]** 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

DocuSign Envelope ID: B5927B52-EE38-4F3D-9B91-E8D57A02B7E5

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.

DocuSign Envelope ID: B5720B52-EE38-4B31-9CB4-E8D57A02B7E5

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]**

DocuSign Envelope ID: B5920B52-EE38-4B31-9CB4-E8D57A02B7E5

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]**

DocuSign Envelope ID: 0153C3BD-20A7-4426-259E-02C9868F5760B4E6

Joint CCA WSPP Standard RA Confirmation
CCA to CCA RA Purchases and Sale
15 September 2023

WSPP RESOURCE ADEQUACY CONFIRMATION

This Confirmation confirms the transaction between **East Bay Community Energy 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 the last dated signature on the signature page hereto (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 August 26, 2022 (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 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 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 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 from the Unit 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 all or a portion of the affected 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 all or a portion of the affected Contract Quantity during such period. If Seller fails to provide Purchaser with the Expected Contract Quantity from the Unit during any Showing Month 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.

DocuSign Envelope ID: 0153C3BD-20A7-4426-259E-02C9-8689-5700-4426

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Sale and Delivery of Product

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 the Delivery Period is firm and will not be excused for any reason. 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.

Seller shall deliver the Expected Contract Quantity by submitting or causing to be submitted to CAISO Seller's Supply Plans, identifying in each case the Shown Unit(s) and the characteristics of the Shown Unit(s) and Product for the relevant period, as further specified in Appendix B, all in compliance with this Confirmation.

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, (i) monthly Supply Plans and (ii) annual Supply Plans if the Effective Date is prior to the year-ahead Compliance Showing Deadline applicable for the Showing Months specified in Appendix B, in accordance with the Tariff and CPUC requirements and no later than the initial Compliance Showing Deadline for such Showing Month, identifying and confirming the transfer of the Expected Contract Quantity of Product to Purchaser for each Showing Month. The total amount of Product identified and confirmed for such Showing Month shall equal the Expected Contract Quantity.

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.

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.

The Product is delivered and received when the CIRA Tool shows that the Supply Plan submitted in compliance with this Confirmation, including Purchaser's instructions to withhold all or part of the Expected Contract Quantity from Seller's Supply Plan pursuant to Section 2.7, has been accepted for the Product from the Shown Unit(s) by CAISO. Seller has failed to deliver the Product if (i) 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) Seller fails to submit the volume of Expected Contract Quantity for any Showing Month in such amount as instructed by Purchaser for the

DocuSign Envelope ID: 0153C3BD-20A7-4426-259E-02C9-8685-6904-4426

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.

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

(a) If Seller is providing Contingent Firm RA Product, Seller's obligation to deliver the Contract Quantity for 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 generating capacity during the applicable Showing Month; provided, (i) Seller notifies Purchaser by the Notification Deadline applicable to that Showing Month of the amount of Product from the Unit 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.

(b) 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.

(c) If Seller is providing Contingent Firm RA Product, Seller's obligation to deliver the Contract Quantity for each Showing Month may be reduced at Seller's option by the amount of any reductions in Unit NQC or Unit EFC of any Unit(s).

(d) Seller's obligation to deliver the applicable Contract Quantity for each Showing Month may also be reduced in the event that the underlying Seller supply agreement results in Seller's inability to deliver the Product to Buyer in accordance with this Agreement.

2.3 Seller's Option To Provide Alternate Capacity

If Seller is unable to provide the full Contract Quantity for a 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 Showing Month from a different generating unit other than the Unit, 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 Unit and any Replacement Unit(s) for each 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 and shall identify the proposed Replacement Units from which such Alternate

DocuSign Envelope ID: 10503CBD-20A7-4426-259E-02C9-8685-6904-426

Capacity shall be provided no later than the Notification Deadline for Purchaser's Compliance Showings related to such Showing Month;

(b) The proposed Replacement Units must (i) be accepted by the CAISO, and (ii) otherwise satisfy the requirements of this Agreement;

(c) Seller shall, or shall cause the Unit's SC to, submit a Supply Plan that includes the Replacement Units for each applicable Showing Month and, if applicable, annual filing, no later than the Compliance Showing Deadline for Purchaser's Compliance Showings; and

(d) If Seller does not comply with the requirements of Sections 2.3(a), (b) and (c) 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.

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 a Unit for purposes of this Confirmation for that Showing Month.

2.4 Planned Outages

As of the 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.

Seller shall indemnify, defend and hold harmless Purchaser from any penalties, fines or 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.

DocuSign Envelope ID: 0153C3BD-20A7-4426-259E-C2C9868F5700-4426

If Seller fails to pay the foregoing damages, penalties, fines or costs, or fails to reimburse Purchaser for those damages, penalties, fines or costs, then, without prejudice to its other rights and remedies, Purchaser may setoff and recoup those damages, penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation or the WSPP Agreement.

2.6 Purchaser's Re-Sale of Product

(a) Purchaser 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 Purchaser as used herein will refer to the Resource Adequacy Plan of Subsequent Purchaser. Seller shall, or shall cause the Shown Unit'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 Shown Unit'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 Shown Unit'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 two (2) Business Days before the Compliance Showing Deadline for each Showing Month for which Purchaser has resold the Product.

(c) If CAISO or CPUC develops a centralized capacity market, Buyer will have exclusive rights to offer, bid, or otherwise submit, or if necessary to direct the Seller or the Unit's SC to offer, bid, or otherwise submit the Expected Contract Quantity of Product for each Showing Month for re-sale into such market, and 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 Self-Showing Obligation; Hold-Back Capacity

(a) If the Product includes Local RAR Attributes, and Seller has self-shown the Expected Contract Quantity associated with the Shown Unit to the Central Procurement Entity (CPE), Purchaser agrees to assume Seller's self-showing obligations by showing the Expected Contract Quantity in Purchaser's Resource Adequacy Plan, or causing the Subsequent Purchaser to show such Expected Contract Quantity in its Resource Adequacy Plan, for each applicable Showing Month of the Delivery Period.

(b) Provided that Section 2.7(a) is not applicable, no later than three (3) Business Days before the Compliance Showing Deadline with respect to a particular Showing Month, Buyer may request in writing that Seller not list, or cause the Shown Unit's

DocuSign Envelope ID: 0153C3BD-20A7-4426-259E-02C9-8689-5690-4426

SC not to list, in the Shown 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. 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 2.1 for purposes of calculating a Monthly Payment pursuant to Section 3.1 and calculating any amounts due pursuant to Section 2.5. Seller shall, or shall cause the Shown Unit's SC to, comply with Buyer's request under this Section 2.7.

ARTICLE 3
PAYMENTS

3.1 Payment

Purchaser shall make a monthly payment to Seller for the Product by the later of (i) ten (10) calendar days after Purchaser's receipt of Seller's invoice and (ii) the twentieth (20^{th}) day of the Showing Month, and if such 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 Expected Contract Quantity for the Showing Month and (c) 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

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.

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.

DocuSign Envelope ID: 0153C3BD-20A7-4426-259E-02C9-8689-5690-4426

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.

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 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. Purchaser is not liable for, and Seller shall indemnify and hold Purchaser 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 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.

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:

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;

DocuSign Envelope ID: 0153C3BD-20A7-4426-259E-02C9868F5700-4426

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;

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;

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 Purchaser; and

Seller has notified or will notify the Shown Unit's SC that Purchaser 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 Purchaser, along with appropriate documentation supporting the amount of those revenues.

ARTICLE 5
RESERVED

ARTICLE 6
ADDITIONAL WSPP AGREEMENT AMENDMENTS; GENERAL PROVISIONS

6.1 Confidentiality

Each Party to this Confirmation is subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.).

6.2 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 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 perform their obligations regarding the purchase and sale of the Product sold hereunder in order to maintain the original intent.

6.3 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.

6.4 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.

DocuSign Envelope ID: 0153C3BD-20A7-4426-259E-02C9-8689-5690-4426

6.5 No Recourse to Members

The Parties are each organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and are each a public entity separate from their constituent members. Each Party will solely be responsible for all of such Party's debts, obligations and liabilities accruing and arising out of this Confirmation. Each Party agrees that it shall have no rights and shall 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.

6.6 Other WSPP Agreement Changes

For this Transaction, the WSPP Agreement shall be amended as follows:

(a) Section 9.4 is deleted in its entirety and replaced with the following:

"In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, 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. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in writing within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived."

(b) Section 22.1 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 pay its debts generally as they become due;

(g) the institution, by the Defaulting Party, of a general assignment for the benefit of its creditors; or

DocuSign Envelope ID: 0153C3BD-20A7-4426-259A-C2C9868B5760-4426

(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."

(c) Section 22.2(a) is deleted in its entirety replaced with the following:

"If an Event of Default shall have occurred and be continuing, the Non- Defaulting Party, upon written notice to the Defaulting Party, shall have the right to (i) suspend performance under any or all transactions under this Agreement; provided, however, in no event shall any such suspension continue for longer than ten (10) Business Days with respect to any single transaction, and (ii) exercise any remedy available at law or equity."

(d) Section 22.2(b) is amended by inserting "and is continuing" after "Event of Default occurs" in the first line thereof and deleting the second sentence therein.

(e) Section 22.2(b) is amended by inserting the following as the penultimate paragraph in Section 22.2(b):

"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, 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."

(f) Section 22.3(c) 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."

(g) Section 22.3(e) is deleted in its entirety and replaced with the following: "[Intentionally omitted]"

(h) Section 22.3(f) is deleted in its entirety and replaced with the following:

DocuSign Envelope ID: 0153C3BD-20A7-4426-9EC2-9868F5700426

"If the Defaulting Party disagrees with the calculation of the Termination Payment and the Parties cannot otherwise resolve their differences, and provided that the 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."

(i) Section 28.1 is 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 Effective Date.

(j) Section 30.1(4) is amended by inserting "or requested" after the word "required" 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".

(k) Subsections 34.1 and 34.2 are deleted and replaced with the following:

"34.1 DISPUTE RESOLUTION

IN THE EVENT OF ANY DISPUTE ARISING UNDER THE AGREEMENT WITH RESPECT TO 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 THE AGREEMENT."

"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."

(l) In Section 34.4, the phrase "arbitration or" is deleted from the first line.

(m) The following shall be inserted as a new Section 34.5:

"34.5 LIMITATION OF DAMAGES

DocuSign Envelope ID: 0153C3BD-20A7-4426-9EC2-9868F5700426

EXCEPT AS OTHERWISE SPECIFIED IN ANY CONFIRMATION, FOR BREACH OF ANY PROVISION OF THIS 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 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."

(n) Section 37 is amended by inserting the following in the beginning thereof: "On the date of entering into this Confirmation,".

(o) Section 41 "Witness" 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:

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).

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

DocuSign Envelope ID: 0153C3BD-20A7-4426-259A-C2C9868F5760-4426

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."

6.7 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, or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation as a PDF attachment to an email shall be the same as delivery of a manually executed signature page.

6.8 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:

East Bay Community Energy Authority, a California joint powers authority	**Silicon Valley Clean Energy, a California joint powers authority**
By: DocuSigned by: Marie Fontenot 205FAF1AF9DE4A7...	By: DocuSigned by: Girish Balachandran 6FA84EBAC4C4C8...
Name: Marie Fontenot	Name: Girish Balachandran
Title: Vice President of Power Resources	Title: CEO
Date: 9/25/2023	Date: 9/26/2023

DocuSign Envelope ID: 10503CBD-20A7-4426-259E-02C9-8689-5690-4426

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 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, 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 Showing Deadline" means, for each Showing Month, the Compliance Showing plan submission due date for such Showing Month. For illustrative purposes only, as of the Effective Date, the applicable Compliance Showing plan submission due dates are as follows: (A) forty-five (45) days prior to the Showing Month covered by the Supply Plan for the monthly Supply Plan; and (B) the last Business Day of October that is prior to commencement of the year for the annual Supply Plan, such dates may be modified by the CAISO from time to time throughout the Delivery Period.

"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 any currently effective or future decisions, resolutions, or rulings related to resource adequacy.

"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, as such may be modified, amended, supplemented or updated from time to time.

"Effective Flexible Capacity" has the meaning given in CAISO's FERC-approved Tariff.

"Expected Contract Quantity" means, with respect to 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, 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,

DocuSign Envelope ID: 10153C3BD-20A7-4428-259A-C2C9868B5760B4426

less any reductions to Contract Quantity 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.

"Flexible Capacity Category" shall be as described in the annual CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

"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 given in CAISO's FERC-approved Tariff.

"Notification Deadline" is ten (10) Business Days before the Compliance Showing Deadline.

"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

DocuSign Envelope ID: 0153C3BD-20A7-4426-259E-C2C9868F5700447B6

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 Purchaser 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 Purchaser 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.

"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.

"Replacement Unit" means a generating unit having the same capacity attributes as the Unit(s) originally identified in Appendix B hereof, including the same Resource Category, RAR Attributes, and, as applicable, LAR Attributes, FCR Attributes, and Flexible Capacity Category, and otherwise meeting the requirements specified Section 2.3 hereof. A Replacement Unit shall not utilize coal or coal materials as a source of fuel, must be a specific resource that is connected directly to the CAISO controlled grid, or be under the operational control of CAISO, and may not be an unspecified import.

"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.

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

"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.

DocuSign Envelope ID: 10153C3BD-20A7-4426-259A-C2C9-8687-9570-4426

"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.

"Subsequent Purchaser" means the purchaser of Product from Purchaser in a re-sale of Product by Purchaser.

"Substitute Capacity" has the meaning set forth in the Tariff for "RA Substitute Capacity".

"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(s) described in Appendix B.

"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: __System____
Resource Category (MCC Bucket): _4_____
CPUC Local Area (if applicable): __N/A____
Flexible Capacity Category (if applicable): __1____

Delivery Period: [redacted].

Contract Quantity and Contract Price:

Showing Month and Year	RAR Contract Quantity (MW)	Flexible Capacity Contract Quantity (MW)	Unit No.	Contract Price ($/kW-mo.)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

DocuSign Envelope ID: 0153C3BD-20A7-4426-9AC2-9868F5709426

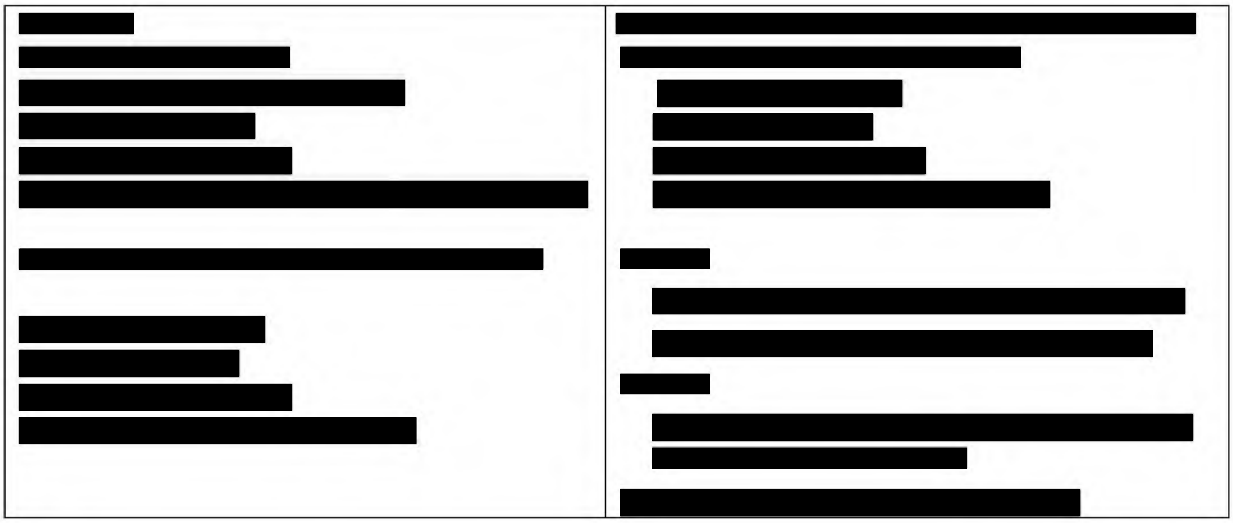
Unit 1

Unit Specific Information	
Resource Name	High Desert Power Project Aggregate
Physical Location	Victorville, CA
CAISO Resource ID	HIDSRT_2_UNITS
SCID of Resource	TS30
Unit NQC by month (e.g., Jan=50,Feb=65):	
Unit EFC by month (e.g., Jan=30, Feb=50)	
Resource Type (e.g., gas, hydro, solar, etc.)	Gas
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	1
TAC Area (e.g., PG&E, SCE)	
Prorated Percentage of Unit Factor	
Prorated Percentage of Unit Flexible Factor	
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	CAISO System
Resource Category as defined by the CPUC (DR, 1, 2, 3, 4)	4

[Information for specific Shown Units may be provided after the Effective Date pursuant to the Confirmation.]

APPENDIX C
NOTICE INFORMATION

Seller: East Bay Community Energy	Purchaser: Silicon Valley Clean Energy
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]



DocuSign Envelope ID: 0153C3BD-20A7-4426-9EC2-9868F5709426

APPENDIX D
PLANNED OUTAGE SCHEDULE

Unit Name	CAISO Resource ID *	Outage (MW)	SLIC Outage Start Date	SLIC Outage End Date
N/A	N/A	N/A	N/A	N/A

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C4D02A23CDD

Joint CCA WSPP Standard RA Confirmation
CCA to CCA RA Purchases and Sale
15 September 2023

WSPP RESOURCE ADEQUACY CONFIRMATION

This Confirmation confirms the transaction between **East Bay Community Energy 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 the last dated signature on the signature page hereto (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 August 26, 2022 (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 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 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 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 from the Unit 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 all or a portion of the affected 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 all or a portion of the affected Contract Quantity during such period. If Seller fails to provide Purchaser with the Expected Contract Quantity from the Unit during any Showing Month 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.

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C8D02A23CDD

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Sale and Delivery of Product

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 the Delivery Period is firm and will not be excused for any reason. 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.

Seller shall deliver the Expected Contract Quantity by submitting or causing to be submitted to CAISO Seller's Supply Plans, identifying in each case the Shown Unit(s) and the characteristics of the Shown Unit(s) and Product for the relevant period, as further specified in Appendix B, all in compliance with this Confirmation.

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, (i) monthly Supply Plans and (ii) annual Supply Plans if the Effective Date is prior to the year-ahead Compliance Showing Deadline applicable for the Showing Months specified in Appendix B, in accordance with the Tariff and CPUC requirements and no later than the initial Compliance Showing Deadline for such Showing Month, identifying and confirming the transfer of the Expected Contract Quantity of Product to Purchaser for each Showing Month. The total amount of Product identified and confirmed for such Showing Month shall equal the Expected Contract Quantity.

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.

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.

The Product is delivered and received when the CIRA Tool shows that the Supply Plan submitted in compliance with this Confirmation, including Purchaser's instructions to withhold all or part of the Expected Contract Quantity from Seller's Supply Plan pursuant to Section 2.7, has been accepted for the Product from the Shown Unit(s) by CAISO. Seller has failed to deliver the Product if (i) 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) Seller fails to submit the volume of Expected Contract Quantity for any Showing Month in such amount as instructed by Purchaser for the

DocuSign Envelope ID: 9026298C-B585-4250-BA59-9C4D02A23CDD

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.

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

(a) If Seller is providing Contingent Firm RA Product, Seller's obligation to deliver the Contract Quantity for 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 generating capacity during the applicable Showing Month; provided, (i) Seller notifies Purchaser by the Notification Deadline applicable to that Showing Month of the amount of Product from the Unit 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.

(b) 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.

(c) If Seller is providing Contingent Firm RA Product, Seller's obligation to deliver the Contract Quantity for each Showing Month may be reduced at Seller's option by the amount of any reductions in Unit NQC or Unit EFC of any Unit(s).

(d) ☒ ***If checked, the following provision and related definitions are applicable.***

Seller's obligation to deliver the Contract Quantity for each day of each Showing Month may be reduced at Seller's option in the event Purchaser fails to deliver, for any reason, the contract quantity of product set forth in Appendix B of the Swap Confirmation (such option, the "Swap Reduction Option"); provided, however, that (i) Seller's obligation to deliver the Contract Quantity of Product may not be reduced by an amount greater than the contract quantity of product that Purchaser failed to deliver under the Swap Confirmation and (ii) that the Swap Reduction Option is subject to Seller providing written notice to Purchaser of such modification no later than three (3) Business Days before the initial Compliance Showing Deadline for such Showing Month. Seller's rights under the Swap Reduction Option are cumulative and in addition to Seller's rights under the Swap Confirmation.

2.3 Seller's Option To Provide Alternate Capacity

DocuSign Envelope ID: 9026298C-B585-4250-BA59-9C4D02A23CDD

If Seller is unable to provide the full Contract Quantity for a 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 Showing Month from a different generating unit other than the Unit, 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 Unit and any Replacement Unit(s) for each 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 and shall identify the proposed Replacement Units from which such Alternate Capacity shall be provided no later than the Notification Deadline for Purchaser's Compliance Showings related to such Showing Month;

(b) The proposed Replacement Units must (i) be accepted by the CAISO, and (ii) otherwise satisfy the requirements of this Agreement;

(c) Seller shall, or shall cause the Unit's SC to, submit a Supply Plan that includes the Replacement Units for each applicable Showing Month and, if applicable, annual filing, no later than the Compliance Showing Deadline for Purchaser's Compliance Showings; and

(d) If Seller does not comply with the requirements of Sections 2.3(a), (b) and (c) 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.

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 a Unit for purposes of this Confirmation for that Showing Month.

2.4 Planned Outages

As of the 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

DocuSign Envelope ID: 9026298C-B585-4250-B459-9C4D02A23CDD

Section 21.3 of the WSPP Agreement, without reference to the word "hourly" therein.

Seller shall indemnify, defend and hold harmless Purchaser from any penalties, fines or 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 damages, penalties, fines or costs, or fails to reimburse Purchaser for those damages, penalties, fines or costs, then, without prejudice to its other rights and remedies, Purchaser may setoff and recoup those damages, penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation or the WSPP Agreement.

2.6 Purchaser's Re-Sale of Product

(a) Purchaser 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 Purchaser as used herein will refer to the Resource Adequacy Plan of Subsequent Purchaser. Seller shall, or shall cause the Shown Unit'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 Shown Unit'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 Shown Unit'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 two (2) Business Days before the Compliance Showing Deadline for each Showing Month for which Purchaser has resold the Product.

(c) If CAISO or CPUC develops a centralized capacity market, Buyer will have exclusive rights to offer, bid, or otherwise submit, or if necessary to direct the Seller or the Unit's SC to offer, bid, or otherwise submit the Expected Contract Quantity of Product for each Showing Month for re-sale into such market, and 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.

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C4D02A23CDD

2.7 Self-Showing Obligation; Hold-Back Capacity

(a) If the Product includes Local RAR Attributes, and Seller has self-shown the Expected Contract Quantity associated with the Shown Unit to the Central Procurement Entity (CPE), Purchaser agrees to assume Seller's self-showing obligations by showing the Expected Contract Quantity in Purchaser's Resource Adequacy Plan, or causing the Subsequent Purchaser to show such Expected Contract Quantity in its Resource Adequacy Plan, for each applicable Showing Month of the Delivery Period.

(b) Provided that Section 2.7(a) is not applicable, no later than three (3) Business Days before the Compliance Showing Deadline with respect to a particular Showing Month, Buyer may request in writing that Seller not list, or cause the Shown Unit's SC not to list, in the Shown 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. 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 2.1 for purposes of calculating a Monthly Payment pursuant to Section 3.1 and calculating any amounts due pursuant to Section 2.5. Seller shall, or shall cause the Shown Unit's SC to, comply with Buyer's request under this Section 2.7.

ARTICLE 3
PAYMENTS

3.1 Payment

Purchaser shall make a monthly payment to Seller for the Product by the later of (i) ten (10) calendar days after Purchaser's receipt of Seller's invoice and (ii) the twentieth (20^{th}) day of the Showing Month, and if such 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 Expected Contract Quantity for the Showing Month and (c) 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

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

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C4D02A23CDD

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.

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.

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.

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 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. Purchaser is not liable for, and Seller shall indemnify and hold Purchaser 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 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

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C4D02A23CDD

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 Purchaser throughout the Delivery Period that:

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;

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;

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;

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 Purchaser; and

Seller has notified or will notify the Shown Unit's SC that Purchaser 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 Purchaser, along with appropriate documentation supporting the amount of those revenues.

ARTICLE 5
RESERVED

ARTICLE 6
ADDITIONAL WSPP AGREEMENT AMENDMENTS; GENERAL PROVISIONS

6.1 Confidentiality

Each Party to this Confirmation is subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.).

6.2 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 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

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C4D02A23CDD

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 perform their obligations regarding the purchase and sale of the Product sold hereunder in order to maintain the original intent.

6.3 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.

6.4 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.

6.5 No Recourse to Members

The Parties are each organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and are each a public entity separate from their constituent members. Each Party will solely be responsible for all of such Party's debts, obligations and liabilities accruing and arising out of this Confirmation. Each Party agrees that it shall have no rights and shall 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.

6.6 Other WSPP Agreement Changes

For this Transaction, the WSPP Agreement shall be amended as follows:

(a) Section 9.4 is deleted in its entirety and replaced with the following:

"In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, 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. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C4D02A23CDD

in writing within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived."

(b) Section 22.1 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 pay its debts generally 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."

(c) Section 22.2(a) is deleted in its entirety replaced with the following:

"If an Event of Default shall have occurred and be continuing, the Non- Defaulting Party, upon written notice to the Defaulting Party, shall have the right to (i) suspend performance under any or all transactions under this Agreement; provided, however, in no event shall any such suspension continue for longer than ten (10) Business Days with respect to any single transaction, and (ii) exercise any remedy available at law or equity."

(d) Section 22.2(b) is amended by inserting "and is continuing" after "Event of Default occurs" in the first line thereof and deleting the second sentence therein.

(e) Section 22.2(b) is amended by inserting the following as the penultimate paragraph in Section 22.2(b):

"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, 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."

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C4D02A23CDD

(f) Section 22.3(c) 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."

(g) Section 22.3(e) is deleted in its entirety and replaced with the following: "[Intentionally omitted]"

(h) Section 22.3(f) is deleted in its entirety and replaced 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 the 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."

(i) Section 28.1 is 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 Effective Date.

(j) Section 30.1(4) is amended by inserting "or requested" after the word "required" 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".

(k) Subsections 34.1 and 34.2 are deleted and replaced with the following:

"34.1 DISPUTE RESOLUTION

IN THE EVENT OF ANY DISPUTE ARISING UNDER THE AGREEMENT WITH RESPECT TO 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 THE AGREEMENT."

"34.2 EXCLUSIVE JURISDICTION

DocuSign Envelope ID: 9626298C-B585-42E0-BA59-9C8D02A23CDD

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."

(l) In Section 34.4, the phrase "arbitration or" is deleted from the first line.

(m) 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 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 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."

(n) Section 37 is amended by inserting the following in the beginning thereof: "On the date of entering into this Confirmation,".

(o) Section 41 "Witness" 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:

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C4D02A23CDD

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).

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."

6.7 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, or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation as a PDF attachment to an email shall be the same as delivery of a manually executed signature page.

6.8 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.*]

DocuSign Envelope ID: 9026298C-B585-4250-B459-9C4D02A23CDD

AGREED AS OF THE EFFECTIVE DATE:

East Bay Community Energy Authority, a California joint powers authority

DocuSigned by:
By: Marie Fontenot
205FAF1AF9DE4A7...
Name: Marie Fontenot
Title: Vice President of Power Resources
Date: 9/25/2023

Silicon Valley Clean Energy, a California joint powers authority

DocuSigned by:
By: Girish Balachandran
Name: Girish Balachandran
Title: CEO
Date: 9/26/2023

DocuSign Envelope ID: 9026298C-B585-4250-BA59-9C4D02A23CDD

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 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, 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 Showing Deadline" means, for each Showing Month, the Compliance Showing plan submission due date for such Showing Month. For illustrative purposes only, as of the Effective Date, the applicable Compliance Showing plan submission due dates are as follows: (A) forty-five (45) days prior to the Showing Month covered by the Supply Plan for the monthly Supply Plan; and (B) the last Business Day of October that is prior to commencement of the year for the annual Supply Plan, such dates may be modified by the CAISO from time to time throughout the Delivery Period.

"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 any currently effective or future decisions, resolutions, or rulings related to resource adequacy.

"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, as such may be modified, amended, supplemented or updated from time to time.

"Effective Flexible Capacity" has the meaning given in CAISO's FERC-approved Tariff.

"Expected Contract Quantity" means, with respect to 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, 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,

DocuSign Envelope ID: 9026298C-B585-4250-B459-9C4D02A23CDD

less any reductions to Contract Quantity 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.

"Flexible Capacity Category" shall be as described in the annual CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

"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 given in CAISO's FERC-approved Tariff.

"Notification Deadline" is ten (10) Business Days before the Compliance Showing Deadline.

"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

DocuSign Envelope ID: 9026298C-B585-4250-BA59-9C4D02A23CDD

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 Purchaser 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 Purchaser 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.

"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.

"Replacement Unit" means a generating unit having the same capacity attributes as the Unit(s) originally identified in Appendix B hereof, including the same Resource Category, RAR Attributes, and, as applicable, LAR Attributes, FCR Attributes, and Flexible Capacity Category, and otherwise meeting the requirements specified Section 2.3 hereof. A Replacement Unit shall not utilize coal or coal materials as a source of fuel, must be a specific resource that is connected directly to the CAISO controlled grid, or be under the operational control of CAISO, and may not be an unspecified import.

"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.

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

"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.

DocuSign Envelope ID: 9026298C-B585-4254-BA59-9C4D22A23CDD

"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.

"Subsequent Purchaser" means the purchaser of Product from Purchaser in a re-sale of Product by Purchaser.

"Substitute Capacity" has the meaning set forth in the Tariff for "RA Substitute Capacity".

"Swap Confirmation" means that certain WSPP Agreement Confirmation between Seller and Purchaser dated concurrently herewith, in which Seller is purchasing 41MW of Jan-24, 28MW of Feb-24, 56MW of May-24, 43MW of Jun-24, 20MW of Nov-24 System Generic Product (as defined under such confirmation) from Purchaser.

"Swap Reduction Option" has the meaning specified in Section 2.2(c).

"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(s) described in Appendix B.

"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.

DocuSign Envelope ID: 9026298C-B585-42E4-BA59-9C4D02A23CDD

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: __System____
Resource Category (MCC Bucket): _varies_____
CPUC Local Area (if applicable): __N/A____
Flexible Capacity Category (if applicable): __varies____

Delivery Period: [redacted]

Contract Quantity and Contract Price:

Showing Month and Year	RAR Contract Quantity (MW)	Flexible Capacity Contract Quantity (MW)	Unit No.	Contract Price ($/kW-mo.)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

DocuSign Envelope ID: 9026298C-B585-42E0-BA59-9C4D02A23CDD

Unit 1

Unit Specific Information	
Resource Name	High Desert Power Project Aggregate
Physical Location	Victorville, CA
CAISO Resource ID	HIDSRT_2_UNITS
SCID of Resource	TS30
Unit NQC by month (e.g., Jan=50,Feb=65):	
Unit EFC by month (e.g., Jan=30, Feb=50)	
Resource Type (e.g., gas, hydro, solar, etc.)	Gas
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	1
TAC Area (e.g., PG&E, SCE)	
Prorated Percentage of Unit Factor	
Prorated Percentage of Unit Flexible Factor	
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	CAISO System
Resource Category as defined by the CPUC (DR, 1, 2, 3, 4)	4

Unit 2

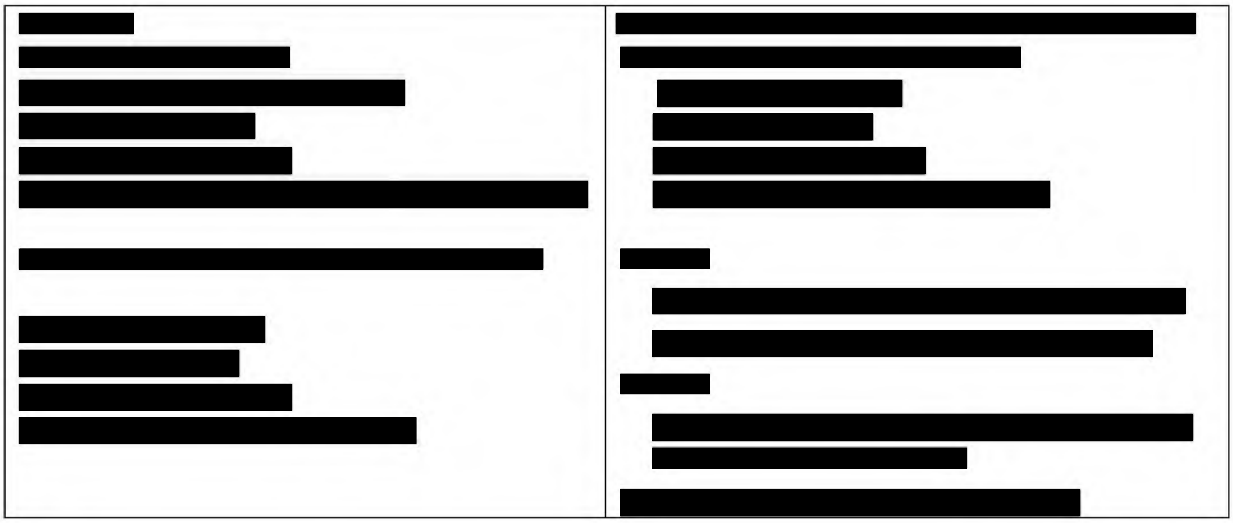
Unit Specific Information	
Resource Name	Oberon 2 BESS
Physical Location	Riverside County, CA
CAISO Resource ID	OBERON_5_O2BBX2
SCID of Resource	
Unit NQC by month (e.g., Jan=50,Feb=65):	124.99
Unit EFC by month (e.g., Jan=30, Feb=50)	249.99
Resource Type (e.g., gas, hydro, solar, etc.)	Storage
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	2
TAC Area (e.g., PG&E, SCE)	SCE
Prorated Percentage of Unit Factor	Varies
Prorated Percentage of Unit Flexible Factor	Varies
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	CAISO System
Resource Category as defined by the CPUC (DR, 1, 2, 3, 4)	1

DocuSign Envelope ID: 9626298C-B585-4254-BA59-9C4D22A23CDD

[Information for specific Shown Units may be provided after the Effective Date pursuant to the Confirmation.]

APPENDIX C
NOTICE INFORMATION

Seller: East Bay Community Energy	Purchaser: Silicon Valley Clean Energy
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]



DocuSign Envelope ID: 9026298C-B585-4250-B459-9C4D22A23CDD

APPENDIX D
PLANNED OUTAGE SCHEDULE

Unit Name	CAISO Resource ID *	Outage (MW)	SLIC Outage Start Date	SLIC Outage End Date
N/A	N/A	N/A	N/A	N/A

DocuSign Envelope ID: 3620E8BB-2783-4254-B5E2-1DA0A2E5B4C8

Joint CCA WSPP Standard RA Confirmation
CCA to CCA RA Purchases and Sale
15 September 2023

WSPP RESOURCE ADEQUACY CONFIRMATION

This Confirmation confirms the transaction between **Silicon Valley Clean Energy Authority**, a California joint powers authority, ("Seller") and **East Bay Community Energy Authority**, a California joint powers authority ("Purchaser"), and each individually a "Party" and together the "Parties", dated as of the last dated signature on the signature page hereto (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 August 26, 2022 (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 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 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 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 from the Unit 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 all or a portion of the affected 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 all or a portion of the affected Contract Quantity during such period. If Seller fails to provide Purchaser with the Expected Contract Quantity from the Unit during any Showing Month 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.

DocuSign Envelope ID: 56201E8B-2783-4254-B5E2-1DA1A2E5B4C8

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Sale and Delivery of Product

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 the Delivery Period is firm and will not be excused for any reason. 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.

Seller shall deliver the Expected Contract Quantity by submitting or causing to be submitted to CAISO Seller's Supply Plans, identifying in each case the Shown Unit(s) and the characteristics of the Shown Unit(s) and Product for the relevant period, as further specified in Appendix B, all in compliance with this Confirmation.

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, (i) monthly Supply Plans and (ii) annual Supply Plans if the Effective Date is prior to the year-ahead Compliance Showing Deadline applicable for the Showing Months specified in Appendix B, in accordance with the Tariff and CPUC requirements and no later than the initial Compliance Showing Deadline for such Showing Month, identifying and confirming the transfer of the Expected Contract Quantity of Product to Purchaser for each Showing Month. The total amount of Product identified and confirmed for such Showing Month shall equal the Expected Contract Quantity.

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.

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.

The Product is delivered and received when the CIRA Tool shows that the Supply Plan submitted in compliance with this Confirmation, including Purchaser's instructions to withhold all or part of the Expected Contract Quantity from Seller's Supply Plan pursuant to Section 2.7, has been accepted for the Product from the Shown Unit(s) by CAISO. Seller has failed to deliver the Product if (i) 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) Seller fails to submit the volume of Expected Contract Quantity for any Showing Month in such amount as instructed by Purchaser for the

DocuSign Envelope ID: 56201E8B-2783-4264-B5E2-10A0A2E5B4C8

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.

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

(a) If Seller is providing Contingent Firm RA Product, Seller's obligation to deliver the Contract Quantity for 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 generating capacity during the applicable Showing Month; provided, (i) Seller notifies Purchaser by the Notification Deadline applicable to that Showing Month of the amount of Product from the Unit 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.

(b) 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.

(c) If Seller is providing Contingent Firm RA Product, Seller's obligation to deliver the Contract Quantity for each Showing Month may be reduced at Seller's option by the amount of any reductions in Unit NQC or Unit EFC of any Unit(s).

(d) ☒ ***If checked, the following provision and related definitions are applicable.***

Seller's obligation to deliver the Contract Quantity for each day of each Showing Month may be reduced at Seller's option in the event Purchaser fails to deliver, for any reason, the contract quantity of product set forth in Appendix B of the Swap Confirmation (such option, the "Swap Reduction Option"); provided, however, that (i) Seller's obligation to deliver the Contract Quantity of Product may not be reduced by an amount greater than the contract quantity of product that Purchaser failed to deliver under the Swap Confirmation and (ii) that the Swap Reduction Option is subject to Seller providing written notice to Purchaser of such modification no later than three (3) Business Days before the initial Compliance Showing Deadline for such Showing Month. Seller's rights under the Swap Reduction Option are cumulative and in addition to Seller's rights under the Swap Confirmation.

2.3 Seller's Option To Provide Alternate Capacity

DocuSign Envelope ID: 3620E8BB-2783-4254-B5E2-10DA0828E5B4C8

If Seller is unable to provide the full Contract Quantity for a 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 Showing Month from a different generating unit other than the Unit, 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 Unit and any Replacement Unit(s) for each 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 and shall identify the proposed Replacement Units from which such Alternate Capacity shall be provided no later than the Notification Deadline for Purchaser's Compliance Showings related to such Showing Month;

(b) The proposed Replacement Units must (i) be accepted by the CAISO, and (ii) otherwise satisfy the requirements of this Agreement;

(c) Seller shall, or shall cause the Unit's SC to, submit a Supply Plan that includes the Replacement Units for each applicable Showing Month and, if applicable, annual filing, no later than the Compliance Showing Deadline for Purchaser's Compliance Showings; and

(d) If Seller does not comply with the requirements of Sections 2.3(a), (b) and (c) 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.

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 a Unit for purposes of this Confirmation for that Showing Month.

2.4 Planned Outages

As of the 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

DocuSign Envelope ID: 56201E8B-2783-4254-B5E2-1DA0A2E5B4C8

Section 21.3 of the WSPP Agreement, without reference to the word "hourly" therein.

Seller shall indemnify, defend and hold harmless Purchaser from any penalties, fines or 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 damages, penalties, fines or costs, or fails to reimburse Purchaser for those damages, penalties, fines or costs, then, without prejudice to its other rights and remedies, Purchaser may setoff and recoup those damages, penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation or the WSPP Agreement.

2.6 Purchaser's Re-Sale of Product

(a) Purchaser 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 Purchaser as used herein will refer to the Resource Adequacy Plan of Subsequent Purchaser. Seller shall, or shall cause the Shown Unit'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 Shown Unit'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 Shown Unit'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 two (2) Business Days before the Compliance Showing Deadline for each Showing Month for which Purchaser has resold the Product.

(c) If CAISO or CPUC develops a centralized capacity market, Buyer will have exclusive rights to offer, bid, or otherwise submit, or if necessary to direct the Seller or the Unit's SC to offer, bid, or otherwise submit the Expected Contract Quantity of Product for each Showing Month for re-sale into such market, and 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.

DocuSign Envelope ID: 3620E8BB-2783-4254-B5E2-1DA0A2E5B4C8

2.7 Self-Showing Obligation; Hold-Back Capacity

(a) If the Product includes Local RAR Attributes, and Seller has self-shown the Expected Contract Quantity associated with the Shown Unit to the Central Procurement Entity (CPE), Purchaser agrees to assume Seller's self-showing obligations by showing the Expected Contract Quantity in Purchaser's Resource Adequacy Plan, or causing the Subsequent Purchaser to show such Expected Contract Quantity in its Resource Adequacy Plan, for each applicable Showing Month of the Delivery Period.

(b) Provided that Section 2.7(a) is not applicable, no later than three (3) Business Days before the Compliance Showing Deadline with respect to a particular Showing Month, Buyer may request in writing that Seller not list, or cause the Shown Unit's SC not to list, in the Shown 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. 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 2.1 for purposes of calculating a Monthly Payment pursuant to Section 3.1 and calculating any amounts due pursuant to Section 2.5. Seller shall, or shall cause the Shown Unit's SC to, comply with Buyer's request under this Section 2.7.

ARTICLE 3
PAYMENTS

3.1 Payment

Purchaser shall make a monthly payment to Seller for the Product by the later of (i) ten (10) calendar days after Purchaser's receipt of Seller's invoice and (ii) the twentieth (20^{th}) day of the Showing Month, and if such 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 Expected Contract Quantity for the Showing Month and (c) 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

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

DocuSign Envelope ID: 3620E8DB-2783-4254-B5E2-1DA0928E5B4C8

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.

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.

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.

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 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. Purchaser is not liable for, and Seller shall indemnify and hold Purchaser 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 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

DocuSign Envelope ID: 3620E8BB-2783-4254-B5E2-10DA0B2E5B4C8

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 Purchaser throughout the Delivery Period that:

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;

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;

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;

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 Purchaser; and

Seller has notified or will notify the Shown Unit's SC that Purchaser 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 Purchaser, along with appropriate documentation supporting the amount of those revenues.

ARTICLE 5
RESERVED

ARTICLE 6
ADDITIONAL WSPP AGREEMENT AMENDMENTS; GENERAL PROVISIONS

6.1 Confidentiality

Each Party to this Confirmation is subject to the requirements of the California Public Records Act (Government Code Section 7920 et seq.).

6.2 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 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

DocuSign Envelope ID: 3620E8DB-2783-4254-B5E2-1DA0828E5B4C8

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 perform their obligations regarding the purchase and sale of the Product sold hereunder in order to maintain the original intent.

6.3 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.

6.4 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.

6.5 No Recourse to Members

The Parties are each organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and are each a public entity separate from their constituent members. Each Party will solely be responsible for all of such Party's debts, obligations and liabilities accruing and arising out of this Confirmation. Each Party agrees that it shall have no rights and shall 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.

6.6 Other WSPP Agreement Changes

For this Transaction, the WSPP Agreement shall be amended as follows:

(a) Section 9.4 is deleted in its entirety and replaced with the following:

"In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, 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. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified

DocuSign Envelope ID: 56201E8B-2783-4264-B5E2-1DA0928E5B4C8

in writing within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived."

(b) Section 22.1 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 pay its debts generally 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."

(c) Section 22.2(a) is deleted in its entirety replaced with the following:

"If an Event of Default shall have occurred and be continuing, the Non- Defaulting Party, upon written notice to the Defaulting Party, shall have the right to (i) suspend performance under any or all transactions under this Agreement; provided, however, in no event shall any such suspension continue for longer than ten (10) Business Days with respect to any single transaction, and (ii) exercise any remedy available at law or equity."

(d) Section 22.2(b) is amended by inserting "and is continuing" after "Event of Default occurs" in the first line thereof and deleting the second sentence therein.

(e) Section 22.2(b) is amended by inserting the following as the penultimate paragraph in Section 22.2(b):

"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, 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."

DocuSign Envelope ID: 5620E8BB-2783-4254-B5E2-10A0A2E5B4C8

(f) Section 22.3(c) 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."

(g) Section 22.3(e) is deleted in its entirety and replaced with the following: "[Intentionally omitted]"

(h) Section 22.3(f) is deleted in its entirety and replaced 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 the 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."

(i) Section 28.1 is 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 Effective Date.

(j) Section 30.1(4) is amended by inserting "or requested" after the word "required" 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".

(k) Subsections 34.1 and 34.2 are deleted and replaced with the following:

"34.1 DISPUTE RESOLUTION

IN THE EVENT OF ANY DISPUTE ARISING UNDER THE AGREEMENT WITH RESPECT TO 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 THE AGREEMENT."

"34.2 EXCLUSIVE JURISDICTION

DocuSign Envelope ID: 3620E8DB-2783-4264-B5E2-10A0A2E5B4C8

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."

(l) In Section 34.4, the phrase "arbitration or" is deleted from the first line.

(m) 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 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 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."

(n) Section 37 is amended by inserting the following in the beginning thereof: "On the date of entering into this Confirmation,".

(o) Section 41 "Witness" 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:

DocuSign Envelope ID: 36[illegible]

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).

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."

6.7 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, or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation as a PDF attachment to an email shall be the same as delivery of a manually executed signature page.

6.8 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:

East Bay Community Energy Authority, a California joint powers authority

DocuSigned by:
By: Marie Fontenot
205FAF1AF9DE4A7...
Name: Marie Fontenot
Title: Vice President of Power Resources
Date: 9/25/2023

Silicon Valley Clean Energy, a California joint powers authority

DocuSigned by:
By: Girish Balachandran
5CA84B9AC4C24C3...
Name: Girish Balachandran
Title: CEO
Date: 9/26/2023

DocuSign Envelope ID: 3620E8DB-2783-4254-B5E2-10DA0928E5B4C8

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 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, 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 Showing Deadline" means, for each Showing Month, the Compliance Showing plan submission due date for such Showing Month. For illustrative purposes only, as of the Effective Date, the applicable Compliance Showing plan submission due dates are as follows: (A) forty-five (45) days prior to the Showing Month covered by the Supply Plan for the monthly Supply Plan; and (B) the last Business Day of October that is prior to commencement of the year for the annual Supply Plan, such dates may be modified by the CAISO from time to time throughout the Delivery Period.

"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 any currently effective or future decisions, resolutions, or rulings related to resource adequacy.

"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, as such may be modified, amended, supplemented or updated from time to time.

"Effective Flexible Capacity" has the meaning given in CAISO's FERC-approved Tariff.

"Expected Contract Quantity" means, with respect to 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, 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,

less any reductions to Contract Quantity 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.

"Flexible Capacity Category" shall be as described in the annual CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

"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 given in CAISO's FERC-approved Tariff.

"Notification Deadline" is ten (10) Business Days before the Compliance Showing Deadline.

"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

DocuSign Envelope ID: 3642D1B8B-2783-4254-B5E2-1DA0A2E5B4C8

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 Purchaser 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 Purchaser 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.

"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.

"Replacement Unit" means a generating unit having the same capacity attributes as the Unit(s) originally identified in Appendix B hereof, including the same Resource Category, RAR Attributes, and, as applicable, LAR Attributes, FCR Attributes, and Flexible Capacity Category, and otherwise meeting the requirements specified Section 2.3 hereof. A Replacement Unit shall not utilize coal or coal materials as a source of fuel, must be a specific resource that is connected directly to the CAISO controlled grid, or be under the operational control of CAISO, and may not be an unspecified import.

"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.

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

"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.

"Subsequent Purchaser" means the purchaser of Product from Purchaser in a re-sale of Product by Purchaser.

"Substitute Capacity" has the meaning set forth in the Tariff for "RA Substitute Capacity".

"Swap Confirmation" means that certain WSPP Agreement Confirmation between Seller and Purchaser dated concurrently herewith, in which Seller is purchasing 41MW of Jan-24, 28MW of Feb-24, 56MW of May-24, 43MW of Jun-24, 20MW of Nov-24 System Flex Product (as defined under such confirmation) from Purchaser.

"Swap Reduction Option" has the meaning specified in Section 2.2(c).

"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(s) described in Appendix B.

"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.

DocuSign Envelope ID: [redacted]

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: __System____
Resource Category (MCC Bucket): _4_____
CPUC Local Area (if applicable): __N/A____
Flexible Capacity Category (if applicable): __N/A____

Delivery Period: [redacted]

Contract Quantity and Contract Price:

Showing Month and Year	RAR Contract Quantity (MW)	Flexible Capacity Contract Quantity (MW)	Unit No.	Contract Price ($/kW-mo.)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Unit 1

Unit Specific Information	
Resource Name	Kern River Cogen Facility
Physical Location	Bakersfield, CA
CAISO Resource ID	OMAR_2_UNIT 1
SCID of Resource	TBD
Unit NQC by month (e.g., Jan=50,Feb=65):	75
Unit EFC by month (e.g., Jan=30, Feb=50)	N/A
Resource Type (e.g., gas, hydro, solar, etc.)	Gas Cogen
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	N/A
TAC Area (e.g., PG&E, SCE)	
Prorated Percentage of Unit Factor	
Prorated Percentage of Unit Flexible Factor	
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	CAISO System
Resource Category as defined by the CPUC (DR, 1, 2, 3, 4)	4

Unit 2

Unit Specific Information	
Resource Name	Kern River Cogen Facility
Physical Location	Bakersfield, CA
CAISO Resource ID	OMAR_2_UNIT 2
SCID of Resource	TBD
Unit NQC by month (e.g., Jan=50,Feb=65):	75
Unit EFC by month (e.g., Jan=30, Feb=50)	N/A
Resource Type (e.g., gas, hydro, solar, etc.)	Gas Cogen
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	N/A
TAC Area (e.g., PG&E, SCE)	
Prorated Percentage of Unit Factor	
Prorated Percentage of Unit Flexible Factor	
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	CAISO System
Resource Category as defined by the CPUC (DR, 1, 2, 3, 4)	4

Unit 3

Unit Specific Information	
Resource Name	High Desert Power Project Aggregate
Physical Location	Victorville, CA
CAISO Resource ID	HIDSRT_2_UNITS
SCID of Resource	TS30
Unit NQC by month (e.g., Jan=50,Feb=65):	
Unit EFC by month (e.g., Jan=30, Feb=50)	N/A
Resource Type (e.g., gas, hydro, solar, etc.)	Gas
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	N/A
TAC Area (e.g., PG&E, SCE)	
Prorated Percentage of Unit Factor	
Prorated Percentage of Unit Flexible Factor	
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	CAISO System
Resource Category as defined by the CPUC (DR, 1, 2, 3, 4)	4

Unit 4

Unit Specific Information	
Resource Name	Sycamore Cogen Facility
Physical Location	Bakersfield, CA
CAISO Resource ID	SYCAMR_2_UNIT 1
SCID of Resource	TBD
Unit NQC by month (e.g., Jan=50,Feb=65):	74
Unit EFC by month (e.g., Jan=30, Feb=50)	N/A
Resource Type (e.g., gas, hydro, solar, etc.)	Gas Cogen
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	N/A
TAC Area (e.g., PG&E, SCE)	
Prorated Percentage of Unit Factor	
Prorated Percentage of Unit Flexible Factor	
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	CAISO System
Resource Category as defined by the CPUC (DR, 1, 2, 3, 4)	4

DocuSign Envelope ID: 3620E8DB-2783-4254-B5E2-10DA0928E5B4C8

[Information for specific Shown Units may be provided after the Effective Date pursuant to the Confirmation.]

APPENDIX C
NOTICE INFORMATION

Seller: Silicon Valley Clean Energy	Purchaser: East Bay Community Energy
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]



DocuSign Envelope ID: 3624E8DB-2783-4254-B5E2-1DA0A2E5B4C8

APPENDIX D
PLANNED OUTAGE SCHEDULE

Unit Name	CAISO Resource ID *	Outage (MW)	SLIC Outage Start Date	SLIC Outage End Date
N/A	N/A	N/A	N/A	N/A

DocuSign Envelope ID: [illegible]

WSPP RESOURCE ADEQUACY CONFIRMATION

This Confirmation confirms the transaction between Central Coast Community Energy ("Seller") and Silicon Valley Clean Energy, a California joint powers authority ("Purchaser"), and each individually a "Party" and together the "Parties", dated as of the last dated signature on the signature page hereto (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 August 26, 2022 (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 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 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 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 from the Unit 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 all or a portion of the affected 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 all or a portion of the affected Contract Quantity during such period. If Seller fails to provide Purchaser with the Expected Contract Quantity from the Unit during any Showing Month 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.

DocuSign Envelope ID: [illegible]

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 the Delivery Period is firm and will not be excused for any reason. 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.

(b) Seller shall deliver the Expected Contract Quantity by submitting or causing to be submitted to CAISO Seller's Supply Plans, identifying in each case the Shown Unit(s) and the characteristics of the Shown Unit(s) and Product for the relevant period, 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, (i) monthly Supply Plans and (ii) annual Supply Plans if the Effective Date is prior to the year-ahead Compliance Showing Deadline applicable for the Showing Months specified in Appendix B, in accordance with the Tariff and CPUC requirements and no later than the initial Compliance Showing Deadline for such Showing Month, identifying and confirming the transfer of the Expected Contract Quantity of Product to Purchaser for each Showing Month. The total amount of Product identified and confirmed for such Showing Month shall equal the Expected Contract Quantity.

(d) 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.

(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 this Confirmation, including Purchaser's instructions to withhold all or part of the Expected Contract Quantity from Seller's Supply Plan pursuant to Section 2.7, has been accepted for the Product from the Shown Unit(s) by CAISO. Seller has failed to deliver the Product if (i) Purchaser

DocuSign Envelope ID: [illegible]

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 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.[1]

2.2 Reductions in Contract Quantity

(a) If Seller is providing Contingent Firm RA Product, Seller's obligation to deliver the Contract Quantity for 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 generating capacity during the applicable Showing Month; provided, (i) Seller notifies Purchaser by the Notification Deadline applicable to that Showing Month of the amount of Product from the Unit 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.

(b) 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 a 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 Showing Month from a different generating unit other than the Unit, 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 Unit and any Replacement Unit(s) for each 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 and shall identify the proposed Replacement Units from which such Alternate

[1] For example, contracts with Once-Through Cooling resources that terminate one year or less before the State Water Resources Control Board compliance deadline require an advice letter filing under CPUC Decision 12-04-046

DocuSign Envelope ID: [illegible]

Capacity shall be provided no later than the Notification Deadline for Purchaser's Compliance Showings related to such Showing Month;

(b) The proposed Replacement Units must (i) be accepted by the CAISO, and (ii) otherwise satisfy the requirements of this Agreement;

(c) Seller shall, or shall cause the Unit's SC to submit a Supply Plan that includes the Replacement Units for each applicable Showing Month and, if applicable, annual filing, no later than the Compliance Showing Deadline for Purchaser's Compliance Showings; and

(d) If Seller does not comply with the requirements of Sections 2.3(a), (b) and (c) 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.

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 a Unit for purposes of this Confirmation for that Showing Month.

2.4 Planned Outages

As of the 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, 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

DocuSign Envelope ID: [illegible]

of its owned or controlled assets or market positions to minimize these penalties, fines or costs.

(c) If Seller fails to pay the foregoing damages, penalties, fines or costs, or fails to reimburse Purchaser for those damages, penalties, fines or costs, then, without prejudice to its other rights and remedies, Purchaser may setoff and recoup those damages, penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation or the WSPP Agreement.

2.6 Purchaser's Re-Sale of Product

(a) Purchaser 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 Purchaser as used herein will refer to the Resource Adequacy Plan of Subsequent Purchaser. Seller shall, or shall cause the Shown Unit'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 Shown Unit'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 Shown Unit'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 three (3) Business Days before the Compliance Showing Deadline for each Showing Month for which Purchaser has resold the Product.

(c) If CAISO or CPUC develops a centralized capacity market, Purchaser will have exclusive rights to offer, bid, or otherwise submit, or if necessary to direct the Seller or the Unit's SC to offer, bid, or otherwise submit the Expected Contract Quantity of Product for each Showing Month for re-sale into such market, and Seller and the Unit's SC shall comply with the Purchaser's direction and Purchaser shall retain and receive all revenues from such re-sale.

(d) Purchaser shall have the exclusive right to direct the Seller or the Unit's SC to offer, bid, or otherwise submit the Expected Contract Quantity into the CAISO Competitive Solicitation Process (CSP) for CPM Capacity. Seller and the Unit's SC shall comply with the Purchaser's direction and, to the extent that the CAISO designates the Expected Contract Quantity as CPM Capacity, Purchaser shall be entitled to retain and receive the CPM Capacity Payment. Unless otherwise instructed by Purchaser, (i) Seller shall not, and shall cause the Unit's SC to not, offer any portion of the Expected Contract Quantity to CAISO as CPM Capacity and (ii) if CAISO designates any portion of the Contract Capacity as CPM

DocuSign Envelope ID: [illegible]

Capacity, then Seller shall, and shall cause the Unit's SC to, promptly (and in any event within one (1) Business Day of the time Seller receives notification from CAISO) notify Purchaser of such designation, and if CAISO makes such a designation, Seller shall not, and shall cause the Unit's SC to not, accept any such designation by CAISO unless and until Purchaser has agreed to accept such designation.

2.7 Self-Showing Obligation; Hold-Back Capacity

(a) If the Product includes Local RAR Attributes, and Seller has self-shown the Expected Contract Quantity associated with the Shown Unit to the Central Procurement Entity (CPE), Purchaser agrees to assume Seller's self-showing obligations by showing the Expected Contract Quantity in Purchaser's Resource Adequacy Plan, or causing the Subsequent Purchaser to show such Expected Contract Quantity in its Resource Adequacy Plan, for each applicable Showing Month of the Delivery Period.

ARTICLE 3
PAYMENTS

3.1 Payment

Purchaser shall make a monthly payment to Seller for the Product by the later of (i) ten (10) calendar days after Purchaser's receipt of Seller's invoice and (ii) the twentieth (20^{th}) day of the Showing Month, and if such 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 Expected Contract Quantity for the Showing Month and (c) 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. 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

DocuSign Envelope ID: [illegible]

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 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. Purchaser is not liable for, and Seller shall indemnify and hold Purchaser 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 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.

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.

DocuSign Envelope ID: [illegible]

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 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 Purchaser; and

(e) Seller has notified or will notify the Shown Unit's SC that Purchaser 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 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 FERC Order Nos. 652 and 697, claim that this contractual arrangement conveys ownership or control of generation capacity from Seller to Purchaser.

ARTICLE 5
RESERVED

ARTICLE 6
ADDITIONAL WSPP AGREEMENT AMENDMENTS; GENERAL PROVISIONS

6.1 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

DocuSign Envelope ID: [illegible]

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, 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."

6.2 Confidentiality

Notwithstanding Section 30.1 of the WSPP Agreement:

(a) (i) Purchaser may disclose information to the CAISO, the CPUC or a Governmental Body of competent jurisdiction 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 its 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 as necessary for such Subsequent Purchaser to benefit from the Product and meet its Compliance Obligations.

(b) Purchaser acknowledges that Seller is a public agency subject to the requirements of the California Public Records Act (Cal. Gov. Code section 7920 et seq.) and that Seller may be required to make public this Confirmation (which may be partially redacted by Seller) in connection with the process of seeking approval from its board of directors for the execution of this Confirmation. Seller may submit information to Purchaser that Seller considers confidential, proprietary, or trade secret information pursuant the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act. Seller acknowledges that Purchaser may submit to Seller information that Purchaser considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act. Upon request or demand of any third person or entity not a party to this Confirmation ("Requestor") pursuant to the California Public Records Act for production, inspection and/or copying of this Confirmation or any information designated by a disclosing Party as confidential, the receiving Party as soon as practical shall notify the disclosing Party that such request has been made, by telephone call, letter sent via electronic mail, and/or by overnight carrier to the address, or email address listed at the end of this Confirmation. The disclosing Party shall be solely responsible for taking whatever legal steps are necessary to protect information deemed by it to be confidential information and to prevent

DocuSign Envelope ID: [illegible]

release of information to the Requestor by the receiving Party. If the disclosing Party takes no such action within ten (10) days, after receiving the foregoing notice from the receiving Party, the receiving Party shall be permitted to comply with the Requestor's demand and is not required to defend against it. Notwithstanding the foregoing, Purchaser may release confidential information without notice to or over the objection of Seller if Purchaser's legal counsel advises Purchaser that Purchaser is required by law to release such confidential information.

6.3 Dodd-Frank Act

The Parties intend this Transaction to be a "customary commercial arrangement" as described in Section II.A.1 of Commodity Futures Trading Commission, *Proposed Guidance, Certain Natural Gas and Electric Power Contracts*, 81 Fed. Reg. 20583 at 20586 (Apr. 8, 2016) and a "Forward Capacity Transaction" within the meaning of Commodity Futures Trading Commission, *Final Order in Response to a Petition From Certain Independent System Operators and Regional Transmission Organizations To Exempt Specified Transactions Authorized by a Tariff or Protocol Approved by the Federal Energy Regulatory Commission*, 78 Fed. Reg. 19,880 (Apr. 2, 2013).

6.4 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 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 perform their obligations regarding the purchase and sale of the Product sold hereunder in order to maintain the original intent.

6.5 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.

6.6 Collateral

Notwithstanding Section 27 of the WSPP Agreement, neither Party shall be required to post collateral or other form of financial security in connection with this Agreement.

6.7 No Recourse to Members of Seller

The Parties are each organized as a Joint Powers Authority in accordance with the Join Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and are public entities separate from their constituent members. Each Parties will solely be responsible for all its debts, obligations and liabilities accruing and arising out of this Confirmation. Neither Party will have any rights and shall not make any claims, take any actions or assert any remedies

DocuSign Envelope ID: [illegible]

against any of the other Party's constituent members, or the officers, directors, advisors, contractors, consultants or employees of such Party or such Party's constituent members, in connection with this Confirmation.

6.8 Other WSPP Agreement Changes

For this Transaction, the WSPP Agreement shall be amended as follows:

(a) Section 9.4 is deleted in its entirety and replaced with the following:

"In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, 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. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment. Any dispute with respect to an invoice is waived unless the other Party is notified in writing within twelve (12) months after the invoice is rendered or any specific adjustment to the invoice is made. If an invoice is not rendered within twelve (12) months after the close of the month during which performance of a Transaction occurred, the right to payment for such performance is waived."

(b) Section 22.1 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 pay its debts generally 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."

(c) Section 22.2(b) is amended by inserting "and is continuing" after "Event of Default occurs" in the first line thereof and deleting the second sentence therein.

(d) Section 22.3(c) 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

DocuSign Envelope ID: [illegible]

Transactions shall be zero, notwithstanding any provision in this Section or Agreement to the contrary."

(e) Section 22.3(e) is deleted in its entirety and replaced with the following: "[Intentionally omitted]"

(f) Section 22.3(f) is deleted in its entirety and replaced 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 the 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."

(g) Section 28.1 is 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 Effective Date.

(h) Section 30.1(4) is amended by inserting "or requested" after the word "required" 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".

(i) Subsections 34.1 and 34.2 are deleted and replaced with the following:

"34.1 DISPUTE RESOLUTION

IN THE EVENT OF ANY DISPUTE ARISING UNDER THE AGREEMENT WITH RESPECT TO 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 THE AGREEMENT."

"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

DocuSign Envelope ID: [illegible]

OBJECTION IT MAY HAVE TO SUCH JURISDICTION OR THE CONVENIENCE OF SUCH FORUM."

(j) In Section 34.4, the phrase "arbitration or" is deleted from the first line.

(k) 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 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 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."

(l) Section 37 is amended by inserting the following in the beginning thereof: "On the date of entering into this Confirmation,".

(m) Section 41 "Witness" 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

DocuSign Envelope ID: [illegible]

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."

6.9 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, or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation as a PDF attachment to an email shall be the same as delivery of a manually executed signature page.

6.10 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, a California joint powers authority.

By: DocuSigned by: Robert M. Shaw
398728BE39B342A...
Name: Robert M. Shaw
Title: Chief Executive Officer
Date: 9/21/2023

SILICON VALLEY CLEAN ENERGY, a California joint powers authority.

By: DocuSigned by: Girish Balachandran
5CA6B9AC4924C3...
Name: Girish Balachandran
Title: CEO
Date: 9/26/2023

DocuSign Envelope ID: [illegible]

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 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, 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 Showing Deadline" means, for each Showing Month, the Compliance Showing plan submission due date for such Showing Month. For illustrative purposes only, as of the Effective Date, the applicable Compliance Showing plan submission due dates are as follows: (A) forty-five (45) days prior to the Showing Month covered by the Supply Plan for the monthly Supply Plan; and (B) the last Business Day of October that is prior to commencement of the year for the annual Supply Plan, such dates may be modified by the CAISO from time to time throughout the Delivery Period.

"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 any currently effective or future decisions, resolutions, or rulings related to resource adequacy.

"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, as such may be modified, amended, supplemented or updated from time to time.

"Effective Flexible Capacity" has the meaning given in CAISO's FERC-approved Tariff.

"Expected Contract Quantity" means, with respect to 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, 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, less any

DocuSign Envelope ID: [illegible]

reductions to Contract Quantity 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.

"Flexible Capacity Category" shall be as described in the annual CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.

"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 given in CAISO's FERC-approved Tariff.

"Notification Deadline" is five (5) Business Days before the Compliance Showing Deadline.

"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

DocuSign Envelope ID: [illegible]

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 Purchaser 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 Purchaser 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.

"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.

"Replacement Unit" means a generating unit having the same capacity attributes as the Unit(s) originally identified in Appendix B hereof, including the same Resource Category, RAR Attributes, and, as applicable, LAR Attributes, FCR Attributes, and Flexible Capacity Category, and otherwise meeting the requirements specified Section 2.3 hereof. A Replacement Unit shall not utilize coal or coal materials as a source of fuel, must be a specific resource that is connected directly to the CAISO controlled grid, or be under the operational control of CAISO, and may not be an unspecified import.

"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.

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

["San José Clean Energy" means the City of San José's community choice aggregation program. The San José Community Energy Department administers and manages San José Clean Energy.][2]

[2] For SJCE only.

DocuSign Envelope ID: [illegible]

"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.

"Subsequent Purchaser" means the purchaser of Product from Purchaser in a re-sale of Product by Purchaser.

"Substitute Capacity" has the meaning set forth in the Tariff for "RA Substitute Capacity".

"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(s) described in Appendix B.

"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: _____
Resource Category (MCC Bucket): _MCC 4_____
CPUC Local Area (if applicable): _____
Flexible Capacity Category (if applicable): _N/A_____
24/7 Dispatchable: No

Delivery Period: [redacted].

Contract Quantity and Contract Price:

Showing Month and Year	RAR Contract Quantity (MW)	Local RAR Contract Quantity (MW)	Flexible Capacity Contract Quantity (MW)	Contract Price ($/kW-mo.)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

DocuSign Envelope ID: [illegible]

Unit 1

Unit Specific Information	
Resource Name	Cal Flats BESS
Physical Location	Turkey Flat Rd, north of Hwy 41 – Hwy 46 intersection, Monterey County, CA 93451
CAISO Resource ID	CALFTN_2_CFSBT1
SCID of Resource	TS31
Unit NQC by month (e.g., Jan=50,Feb=65):	
Unit EFC by month (e.g., Jan=30, Feb=50)	
Resource Type (e.g., gas, hydro, solar, etc.)	BESS
Minimum Qualified Flexible Capacity Category (Flex 1, 2 or 3)	N/A
TAC Area (e.g., PG&E, SCE)	PG&E
Prorated Percentage of Unit Factor	N/A
Prorated Percentage of Unit Flexible Factor	N/A
Capacity Area (CAISO System, Fresno, Sierra, Kern, LA Basin, Bay Area, Stockton, Big Creek-Ventura, NCNB, San Diego-IV or Humboldt)	N/A
Resource Category as defined by the CPUC (DR, 1, 2, 3, 4)	4, not 24/7 dispatchable

(*Repeat for additional Units)*

[Information for specific Shown Units may be provided after the Effective Date pursuant to the Confirmation.]

APPENDIX C
NOTICE INFORMATION

Seller: Central Coast Community Energy	Purchaser:
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

[redacted]	[redacted]

APPENDIX D
PLANNED OUTAGE SCHEDULE

Unit Name	CAISO Resource ID *	Outage (MW)	SLIC Outage Start Date	SLIC Outage End Date
N/A	N/A	N/A	N/A	N/A