Tina Walia, Chair
City of Saratoga

George Tyson, Vice Chair
Town of Los Altos Hills

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

Pat Showalter
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, March 13, 2024
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

Teleconference Meeting
Webinar:
https://cityofcupertino.zoom.us/j/98537914971

Telephone (Audio Only):
US: +1 669-900-6833
Webinar ID: 985 3791 4971

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

Call to Order

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).

Tina Walia, Chair
City of Saratoga

George Tyson, Vice Chair
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City of Campbell

Sheila Mohan
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Larry Klein
City of Sunnyvale

Otto Lee
County of Santa Clara

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.

Acknowledge CEO Girish Balachandran and Adopt Resolution Commending His Leadership as SVCE's Chief Executive Officer

Consent Calendar (Action)

1a) Approve Minutes of the February 14, 2024, Board of Directors Meeting

1b) Receive January 2024 Treasurer Report

1c) Authorize the Chief Executive Officer to Execute a Three-Year Agreement with Tenaska Power Services for Scheduling Coordinator Services for Management and Monitoring of Generation in CAISOs Markets and All Future Annual Renewals for An Initial Agreement Not-to-Exceed $1,700,000 and Annual Renewal Not-to-Exceed $566,667

1d) Adopt Resolution Authorizing the Chief Executive Officer to Execute Master Agreement with City of Palo Alto to Enable the Execution of Energy Transactions

1e) Receive 2023 Silicon Valley Clean Energy and Electrification Awareness Residential Customer Survey Results

1f) Adopt SVCE's Load Management Standards Compliance Plan

1g) Executive Committee Report

1h) Finance and Administration Committee Report

1i) Audit Committee Report

1j) California Community Power Report

1k) Legislative Response to Industry Transition 2024 Ad Hoc Committee Report

Regular Calendar

2) CEO Report (Discussion)

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Suite 330
Sunnyvale, CA 94087

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Pat Showalter
City of Mountain View

Larry Klein
City of Sunnyvale

Otto Lee
County of Santa Clara

3) Receive Audit Results and Accept the Findings from Independent Auditor (Action)

4) Adopt Resolution Approving the Mid-Year 2022-23 Adjusted Operating Budget (Action)

5) Adopt Resolution Approving Funding Allocations for Decarbonization Programs (Action)

6) Authorize the Chief Executive Officer to Execute an Agreement with Franklin Energy Services, LLC for Program Design and Implementation Support Services of a Single-Family Residential Installation Program for a Period of Three Years and a Not-to-Exceed Amount of $14 million (Action)

Board Member Announcements and Direction on Future Agenda Items

Adjourn

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Suite 330
Sunnyvale, CA 94087

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Revised: February 7, 2024

SVCE
GLOSSARY OF TERMS

BTM – Behind the Meter – Customer-sited resources which connect to the distribution system on the customer's side of the utility's meter. See also "DER".

C&I – Commercial and Industrial – Business customers

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

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

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

CARE – California Alternate Rates for Energy Program – A monthly discount of 20% or more on gas and electricity. Participants qualify through income guidelines or if enrolled in certain public assistance programs.

CEC – California Energy Commission

CCCFA – California Community Choice Financing Authority – The California Community Choice Financing Authority (CCCFA) was established in 2021 with the goal to reduce the cost of power purchases for member community choice aggregators (CCAs) through pre-payment structures. The founding members of CCCFA include Central Coast Community Energy, East Bay Community Energy, Marin Clean Energy, and Silicon Valley Clean Energy. CCCFA is a Joint Powers Authority which can help member CCAs save up to 10% or more on power purchase agreements, helping reduce costs for ratepayers and increase available funding for local programs.

CC Power – California Community Power – California Community Power is a Joint Powers Agency comprised of nine CCAs. CC Power allows its member CCAs to combine their buying power to procure new, cost-effective clean energy and reliability resources to continue advancing local and state climate goals.

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

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

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

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

DER – Distributed Energy Resource – A small-scale unit of power generation that operates locally and is connected to a larger power grid at the distribution level.

Distribution – The delivery of electricity to the retail customer's home or business through low voltage distribution lines.

eHub – SVCE's online customer resource center with the latest information on electric vehicles, home electrification, and solar and battery storage.

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

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

FERC – Federal Energy Regulatory Commission – Independent federal agency that regulates the interstate transmission of electricity, natural gas and oil. The CAISO is subject to FERC jurisdiction.

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

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

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

IRA – Inflation Reduction Act

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

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

kWh – Kilowatt-hour – This is a measure of consumption. It is the amount of electricity that is used over some period of time, typically a one-month period for billing purposes. Customers are charged a rate per kWh of electricity used.

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

LCFS – Low Carbon Fuel Standard – A CARB program designed to encourage the use of cleaner low-carbon fuels in California, encourage the production of those fuels, and therefore, reduce greenhouse gas emissions.

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

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

MMT – Million Metric Tonnes – Common unit of measurement in regulatory and policy space for California's GHG emissions.

MAWG – Member Agency Working Group, a group of PIOs from SVCE's member communities that gather monthly

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

MWh – Megawatt-hour – measure of energy

NEM – Net Energy Metering – A program in which solar customers receive credit for excess electricity generated by solar panels. The main differences between NEM and FIT programs are the type of rate (flat vs. dependent on time-of-day generation), number of meters required (two vs. one), and flexibility (long-term contract vs. non-binding program enrollment).

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

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

PCC3 – RPS Portfolio Content Category 3 – Unbundled REC**PSPS – Public Safety Power Shutoff** – An event in which the IOUs purposely turn off segments of the grid due to high risk of ignition and wildfires.

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

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

PPA – Power Purchase Agreement – A contract used to purchase the energy, capacity and attributes from a renewable resource project.

Prepay – payment in advance by a municipal utility for a number of years of contracted energy, and this prepayment with tax-exempt debt

RA – Resource Adequacy – Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—both independently owned utilities and electric service providers—to demonstrate in both monthly and annual filings that they have purchased capacity commitments to contribute their share of system reliability. Today LSEs must procure no less than 115% of the peak hour load. In 2023 and 2024, this will increase to 116% and 117% respectively. Beginning in 2025 a new RA program will be implemented requiring LSEs show capacity to meet their hourly reliability needs, the "PRM" adder is still undetermined.

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

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

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

SB 100 – California Senate Bill 100 established a landmark policy requiring renewable energy and zero-carbon resources supply 100 percent of electric retail sales to end-use customers by 2045.

SMUD – Sacramento Municipality Utility District

SCE – Southern California Edison

SDG&E – San Diego Gas & Electric

TOB – Tariff On-bill – Tariff On-Bill Financing is a model in which utilities use a tariff to enable customers to pay back the cost of a solar panel without credit or income level conditions.

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

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

VPP – Virtual Power Plant – A cloud-based energy supply made up of a collection of an aggregation of distributed energy resources (DERs), such as smart EV chargers, smart thermostats, building energy management systems, battery storage systems, solar PV and smart inverters.

24/7 – Goal of supplying consumer energy demand with 100% carbon-free energy at all hours of the day

RESOLUTION NO. 2024-03

RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY COMMENDING CHIEF EXECUTIVE OFFICER GIRISH BALACHANDRAN FOR HIS LEADERSHIP

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

WHEREAS, the Silicon Valley Clean Energy Authority ("SVCEA") was formed on March 31, 2016, with eleven Cities and Towns and the County of Santa Clara deciding to become the initial members; and

WHEREAS, CEO Balachandran oversaw the addition of the City of Milpitas as a member of the JPA; and

WHEREAS, CEO Balachandran served as SVCEA's Chief Executive Officer since February 2018; and

WHEREAS, CEO Balachandran grew the organization from 16 employees to 58 employees while co-creating a culture of collaboration, fun and excellence; and

WHEREAS, through CEO Balachandran's leadership, SVCEA has helped its customers reach affordability through competitive rates and discounts totaling more than $100M since the agency's inception; and

WHEREAS, CEO Balachandran guided SVCEA through a pandemic, providing thoughtful and helpful solutions to keep the agency running efficiently and safely, and helped distribute $10M for customer and community COVID-19 pandemic relief; and

WHEREAS, CEO Balachandran saw the completion of five new renewable projects, with more than $3.6 billion invested in 20 Power Purchase Agreements for clean and reliable energy and storage resources; and

WHEREAS, as a result of CEO Balachandran's leadership, SVCE has exceeded California's Renewable Portfolio Standard (RPS), through 2023 has provided 100% clean energy for all of its customers, and is on track to meeting its goal of reaching 75% RPS by 2030; and

WHEREAS, CEO Balachandran has put SVCEA on a path toward financial stability resulting in two investment grade credit ratings including an A Rating from S&P and a Baa1 rating from Moody's; and

WHEREAS, CEO Balachandran led the organization through three clean power prepays totaling $3.2 billion and resulting in $14.3M savings per year; and

WHEREAS, through CEO Balachandran's strategic direction, SVCEA has signed multi-year contracts with large industrial customers, including an innovative hourly carbon-free energy solution with Google; and

WHEREAS, CEO Balachandran, keeping within SVCEA's mission, has led the allocation of approximately $116M towards local programs and policies to accelerate the decarbonization of mobility and the built environment for SVCEA's member communities - with over $17M deployed leading to over 1,100 new all-electric appliances, 280 new electric vehicle chargers, 140 contractors trained on decarbonization, all member agencies adopting local reach codes, and thousands more SVCEA customers participating in and benefiting from various other projects or programs; and

WHEREAS, through CEO Balachandran's strategic direction SVCEA has established leading digital outreach and engagement practices, including the award-winning eHub online customer resource center for electrification; and

WHEREAS, through the collective efforts noted above, SVCEA and its communities have achieved 943 thousand MT CO2e of greenhouse gas reductions in the energy and transportation sectors as of 2022 compared to the 2015 baseline, and

NOW, THEREFORE, the Board of Directors of SVCEA hereby commends CEO Balachandran and expresses its sincere appreciation for his dedicated leadership as CEO.

ADOPTED AND APPROVED this 13th day of March 2024, 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	Alternate Director Ristow				
City of Milpitas	Director Chua				
City of Monte Sereno	Alternate Director Craig				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Alternate Director Abe-Koga				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

_____
Chair

ATTEST:

_____

Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, February 14, 2024
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

2302 Zanker Road
San Jose, CA

Milpitas Police Department, Community Room
1275 North Milpitas Boulevard
Milpitas, CA 95035

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

DRAFT MEETING MINUTES

Call to Order:
Chair Walia called the meeting to order at 7:00 p.m.

Chair Walia congratulated incoming CEO Monica Padilla for being named one of Silicon Valley Business Journal's Silicon Valley Power 100 for 2024.

Roll Call
Present:
Tina Walia (Chair), Saratoga
George Tyson (Vice Chair), Los Altos Hills
Elliot Scozzola, Campbell
Hung Wei, Cupertino
Sally Meadows, Los Altos
Rob Rennie, Los Gatos
Evelyn Chua, Milpitas (Participated remotely)
Bryan Mekechuk, Monte Sereno
Yvonne Martinez Beltran, Morgan Hill (Participated remotely)
Pat Showalter, Mountain View
Larry Klein, Sunnyvale
Otto Lee, Santa Clara County

Absent:
Rebeca Armendariz, Gilroy

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

Consent Calendar

There were no questions or comments from the Board; there were no requests from the public to speak on any matter on the Consent Calendar.

1a) Approve Minutes of the January 10, 2024, Board of Directors Meeting
1b) Receive December 2023 Treasurer Report
1c) Approve 2024 Updates to Exhibit C, Annual Energy Use, and Exhibit D, Voting Shares, of the SVCE Joint Powers Agreement
1d) Authorize the Chief Executive Officer to Execute an Agreement with Arup for the Electrification Solutions Analysis with a Not to Exceed Limit of $295,000 through October 30, 2024
1e) Receive FY24 Q1 Decarbonization Strategy and Programs Quarterly Report
1f) Authorize the Chief Executive Officer to Execute an Agreement with Stem for Use of their Athena Battery Optimization Software with a Not to Exceed Limit of $1,050,000 Over a Three-Year Term
1g) Approve and Authorize the Chief Executive Officer to Execute a Contract Amendment with School of Thought for Marketing and Advertising Services to Extend for Two Years for an Amount Not to Exceed $600,000
1h) Receive Updates to Business Electric Vehicle (BEV) Rate Components
1i) Executive Committee Report
1j) California Community Power Report
1k) Additional Committee Reports

MOTION: Director Mekechuk moved and Director Klein seconded the motion to approve the Consent Calendar, Items 1a through 1k.

The motion carried unanimously by verbal roll call vote with Alternate Director Armendariz absent.

Regular Calendar

2) CEO Report (Discussion)

CEO Girish Balachandran addressed the following in his report:

1) Introduction to SVCE's newest Communications Specialist, Emily Muniz, who provided brief comments.
2) Announcement of two promotions and re-introductions by incoming CEO Padilla:
   Kris Van Vactor, formerly SVCE's Wholesale Energy Markets Manager, who would now serve as SVCE's Director of Power Resources; and
   Zak Liske, formerly Senior Manager of Power Operations, who would now serve as SVCE's Deputy Director of Power Resources;
3) An update from incoming CEO Padilla on her transition to CEO;
4) An update on hiring, noting CEO Balachandran would be using his authority under Personnel Officer to hire an additional position and more information would be forthcoming; and
5) Announcement of the *Clear Thinking* book at board member seats, provided as a tool to promote continuous learning in addition to other resources for board members.

3) Appoint 2024 Board Committee Members (Action)

Sr. Executive Assistant and Board Clerk Andrea Pizano introduced the item and summarized the interest received from Board members and Alternates for the 2024 SVCE Committees:

2024 Legislative Ad Hoc Committee
1. Dir. Elliot Scozzola, Campbell
2. Dir. Zach Hilton, Gilroy
3. Dir. Bryan Mekechuk, Monte Sereno
4. Dir. Yvonne Martinez Beltran, Morgan Hill
5. Alt. Dir. Chuck Page, Saratoga
6. Dir. Larry Klein, Sunnyvale

Finance and Administration Committee
1. Dir. Elliot Scozzola, Campbell
2. Alt. Dir. Hung Wei, Cupertino
3. Dir. Pat Showalter, Mountain View
4. Alt. Dir. Murali Srinivasan, Sunnyvale

Audit Committee
1. Alt. Dir. Sergio Lopez, Campbell
2. Dir. Sheila Mohan, Cupertino
3. Dir. Bryan Mekechuk, Monte Sereno
4. Harjot Sangha, Finance Director, Gilroy *nominated by Dir. Zach Hilton

Sr. Executive Assistant and Board Clerk Andrea Pizano responded to board member questions.

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

MOTION: Director Martinez Beltran moved and Director Chua seconded the motion to approve the 2024 SVCE Committee assignments as presented by staff.

The motion carried unanimously by roll call vote with Alternate Director Armendariz absent.

Board Member Announcements and Future Agenda Items
Director Chua thanked SVCE staff members Tony Eulo and Zoe Elizabeth for meeting with City of Milpitas staff as part of the permit modernization and policy experimentation program.

Director Meadows shared gratitude to Tony and Zoe for meeting with City of Los Altos staff.

Director Mohan thanked SVCE for funding two portable EV charging stations for City of Cupertino, as part of SVCE's Community Resilience Grant program.

Chair Walia thanked Tony and Zoe for also meeting with City of Saratoga staff.

Public Comment on Closed Session
No speakers.

Closed Session
Conference with Legal Counsel—Existing Litigation
(California Government Code Section 54956.9(d)(1))
Name of case: Central Coast Community Energy, a California joint powers authority; Silicon Valley Clean Energy Authority, a California joint powers authority v. Big Beau Solar, LLC, et al, Santa Clara County Superior Court Case No. 22CV398156

Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (one potential case)

The Board of Directors convened to Closed Session at 7:25 p.m.
The Board of Directors returned from Closed Session at 8:17 p.m.

Report Out
Chair Walia announced there was no reportable action from Closed Session.

Adjourn
Chair Walia adjourned the meeting at 8:17 p.m.

ATTEST:

_____
Andrea Pizano, Board Secretary

TREASURER REPORT

Fiscal Year to Date
As of January 31, 2024

(Preliminary & Unaudited)

Issue Date: March 13, 2024

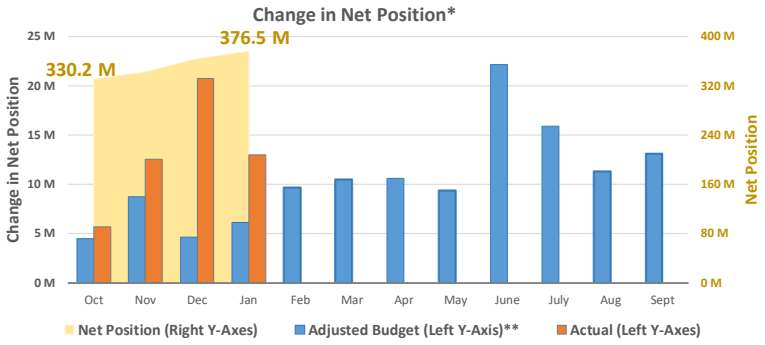
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SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights* ($ in millions)
January 31, 2024

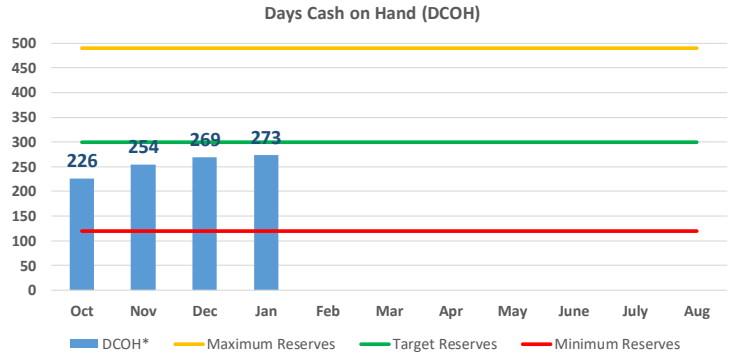
Balance Sheet Highlights:

> SVCE operations resulted in a change in net position of $13 million for the month of January and $52 million for fiscal-year-to-date (FYTD).*
> Total Net Position increased further to $376.5 million.
> SVCE is investing ~97% of available funds generating FYTD interest/dividend income of over $8 million.



*Does not yet recognize unspent program dollars

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



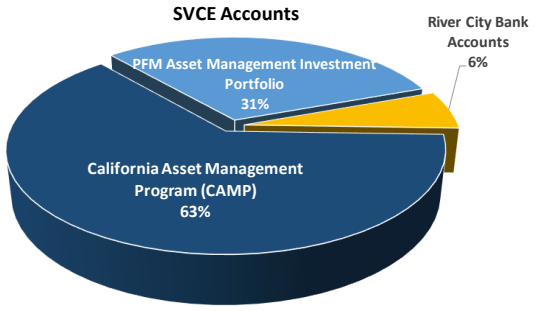
*Adjusted to reflect the Amended Budget (approved in December 2023) revisions and additional program funding

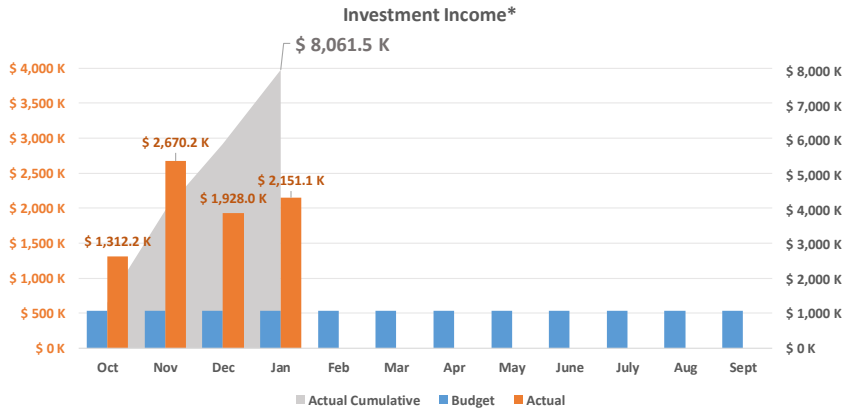
SVCE Yield-bearing Accounts:

Combined Ending Balance*	350.0 M
Total Interest/Div. Earned FYTD	8.1 M
Average Return On Investments**	5.4%

* 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)
January 31, 2024

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

> **FYTD operating margin of $54.8million or 32.8% is above the adjusted budget expectations of 20.4% operating margin for the fiscal year to date.**
> **FYTD Power Supply costs are -18.4% below budget.**
> **Retail GWh sales for the month of January and FYTD landed -0.4% and -4.7%below budget respectively.**

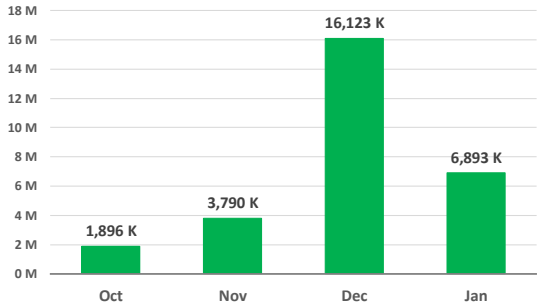
Variance Explanation:

October and November *- the variance mainly reflects lower than estimated revenues due to smaller customer load, offset by lower operating expenses and higher investment income.*

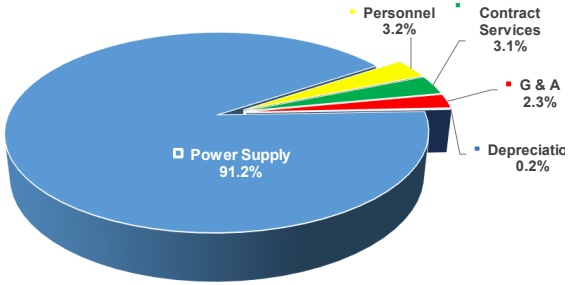
December *- softer customer demand was fully offset by much larger savings in power supply cost and other operating expenses.*

January *- customer demand/revenues aligned with SVCEs forecast, but lower power supply cost and other operating expenses combined with higher interest income increased the net position.*

Net Increase in Available Fund Balance
Comparing Actuals to Adjusted Budget

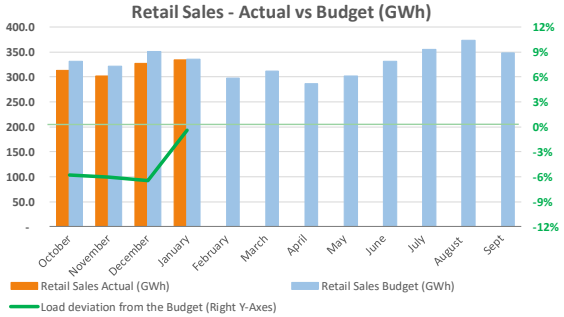


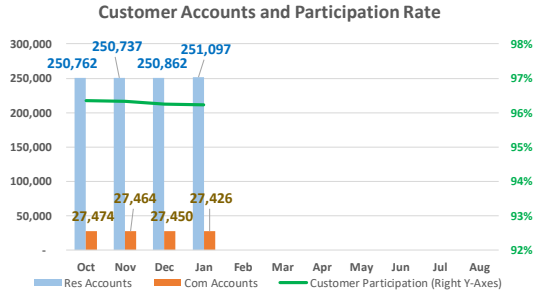
YTD Operating Expenses



$ in thousands	January Actual	January Adj. Budget	January % Dif	Fiscal YTD Actual	Fiscal YTD Adj. Budget	Fiscal YTD % Dif	Main Drivers:
Revenue	47.2 M	46.5 M	1.5%	167.1 M	172.9 M	-3.4%	• -4.7% lower than budgeted customer load for October-January.
Power Supply Cost	32.9 M	37.0 M	-11.0%	112.3 M	137.6 M	-18.4%	• *Lower costs on SVCE's net open position, environmental products and resource adequacy.*
Operating Margin	14.3 M	9.6 M	50.0%	54.8 M	35.3 M	55.2%	
Operating Expenses (ex Power)	2.2 M	2.7 M	-18.7%	8.2 M	10.8 M	-24.2%	• *Staffing vacancies, underrunning professional services, and lower marketing expenses*
Other Non-Op. Expen. (Income)	-2.1 M	-0.5 M	303.1%	46.6 M	53.2 M	-12.4%	• *Reflects higher Interest Income*
Net Increase in Available Fund Balance	14.3 M	7.4 M	93.3%	0.0 M	-28.7 M	-100.0%	• *Reflects budgetary transfers to program funds*

Customer Load Statistics:





Total Accounts	**278,523**
Opt-Out Accounts (Month)	**73**
Opt-Out Accounts (FYTD)	**209**
Opt-Up Accounts (Month)	**(25)**
Opt-Up Accounts (FYTD)	**(54)**

Program Funds:

	Beginning Balance	End Balance	YTD Contributions	YTD Expenditures
General Program Fund	$ 56,617,120	$ 85,780,650	$ 31,062,000	$ 1,898,470
CRCR Fund*	$ 5,483,032	$ 9,051,742	$ 4,300,000	$ 1,421,540
Electrification Discount Fund	$ 9,446,460	$ 9,401,412	$ -	$ 45,048
Building Fund	$ -	$ 20,000,000	$ 20,000,000	$ -

** 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 January 31, 2024

ASSETS		
Current Assets		
Cash & Cash Equivalents	$	253,668,063
Accounts Receivable, net of allowance		39,850,035
Investments		43,852,637
Accrued Revenue		26,289,449
Other Receivables		2,833,807
Prepaid Expenses		2,238,081
Deposits		8,943,639
Restricted cash		165,107
Total Current Assets		**377,840,818**
Noncurrent assets		
Capital assets, net of depreciation		412,912
Investments		68,877,187
Lease asset, net of amortization		682,125
Deposits		45,130
Total Noncurrent Assets		**70,017,354**
Total Assets		**447,858,172**
LIABILITIES		
Current Liabilities		
Accounts Payable		1,378,916
Accrued Cost of Electricity		40,492,455
Other accrued liabilities		1,460,282
User Taxes and Energy Surcharges due to other gov'ts		1,261,905
Supplier securit deposits		945,000
Lease liability		517,228
Total Current Liabilities		**46,055,786**
Noncurrent Liabilities		
Supplier security deposits		25,053,125
Lease liability		226,966
Total noncurrent liabilities		**25,280,091**
Total Liabilities		**71,335,877**
NET POSITION		
Net investment in capital assets		350,843
Restricted for security collateral		165,107
Unrestricted (deficit)		376,006,345
Total Net Position	**$**	**376,522,295**

SILICON VALLEY CLEAN ENERGY AUTHORITY

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

OPERATING REVENUES	
Electricity Sales, Net	$ 166,456,844
GreenPrime electricity premium	529,308
Liquidated damages	75,000
Other income	18,374
TOTAL OPERATING REVENUES	**167,079,526**
OPERATING EXPENSES	
Cost of Electricity	112,271,738
Contract services	3,876,098
Staff compensation and benefits	3,912,163
Other operating expenses	2,846,919
Depreciation	212,901
TOTAL OPERATING EXPENSES	**123,119,819**
OPERATING INCOME(LOSS)	**43,959,707**
NONOPERATING REVENUES (EXPENSES)	
Interest Income	8,061,507
Financing costs	(34,734)
TOTAL NONOPERATING REVENUES (EXPENSES)	**8,026,773**
CHANGE IN NET POSITION	51,986,480
Net Position at beginning of period	324,535,815
Net Position at end of period	**$ 376,522,295**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2023 through January 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 183,973,103
Receipts of security deposits	26,110,840
Other operating receipts	9,374
Payments to suppliers for electricity	(157,354,932)
Payments for other goods and services	(8,374,739)
Payments for staff compensation and benefits	(3,982,887)
Tax and surcharge payments to other governments	(3,269,813)
Net cash provided (used) by operating activities	**37,110,946**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Finance costs paid	(34,734)
Net cash provided (used) by financing activities	**(34,734)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments of lease liability	(172,940)
Acquisition of capital assets	(59,079)
Net cash provided (used) by capital and related financing activities	**(232,019)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(35,250,972)
Proceeds from investment sales	15,059,469
Investment income received	6,485,975
Net cash provided (used) by investing activities	**(13,705,528)**
Net change in cash and cash equivalents	23,138,665
Cash and cash equivalents at beginning of year	230,694,505
Cash and cash equivalents at end of period	**$ 253,833,170**
Reconciliation to the Statement of Net Position	
Cash and cash equivalents (unrestricted)	$ 253,668,063
Restricted cash	165,107
Cash and cash equivalents	**$ 253,833,170**

SILICON VALLEY CLEAN ENERGY AUTHORITY

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

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

Operating Income (loss)	$	43,959,707
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense		212,901
(Increase) decrease in accounts receivable		10,039,358
(Increase) decrease in other receivables		1,879,548
(Increase) decrease in accrued revenue		4,142,673
(Increase) decrease in prepaid expenses		(884,904)
(Increase) decrease in current deposits		16,658,840
Increase (decrease) in accounts payable		(1,468,322)
Increase (decrease) in accrued cost of electricity		(44,020,305)
Increase (decrease) in accrued liabilities		51,242
Increase (decrease) in energy settlements payable		5,908,228
Increase (decrease) in taxes and surcharges due to other governments		(464,895)
Increase (decrease) in supplier security deposits		1,096,875
Net cash provided (used) by operating activities	**$**	**37,110,946**

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

	FYTD	FYTD	Variance		FY 2023-24	FY 2023-24
OPERATING REVENUES	**Actual**	**Amended Budget**	**$**	**%**	**Amended Budget**	**Remaining Budget**
Energy Sales	$166,456,844	$172,372,083	-$5,915,239	-3%	$552,667,000	$386,210,156
Green Prime Premium	529,308	493,898	$35,410	7%	1,968,000	1,438,692
Other Income	93,374	16,667	76,707	460%	50,000	(43,374)
TOTAL OPERATING REVENUES	**167,079,526**	**172,882,648**	**(5,803,122)**	**-3%**	**554,685,000**	**387,605,474**
ENERGY EXPENSES						
Power Supply	112,271,738	137,575,047	(25,303,309)	-18%	399,546,000	287,274,262
Operating Margin	**54,807,788**	**35,307,601**	**19,500,187**	**55%**	**155,139,000**	**100,331,212**
OPERATING EXPENSES						
Data Management	1,026,970	1,137,500	(110,530)	-10%	3,413,000	2,386,030
PG&E Fees	399,620	490,000	(90,380)	-18%	1,470,000	1,070,380
Salaries & Benefits	3,912,163	5,135,215	(1,223,052)	-24%	15,406,000	11,493,837
Professional Services	1,463,509	2,694,825	(1,231,316)	-46%	8,084,000	6,620,491
Marketing & Promotions	319,831	449,750	(129,919)	-29%	1,349,000	1,029,169
Notifications	110,848	7,000	103,848	1484%	21,000	(89,848)
Lease	175,919	183,750	(7,831)	-4%	551,000	375,081
General & Administrative	769,500	688,870	80,630	12%	2,067,000	1,297,500
TOTAL OPERATING EXPENSES	**8,178,360**	**10,786,910**	**(2,608,550)**	**-24%**	**32,361,000**	**24,182,640**
OPERATING INCOME/(LOSS)	**46,629,428**	**24,520,691**	**22,108,737**	**90%**	**122,778,000**	**76,148,572**
NON-OPERATING REVENUES						
Investment Income	8,061,507	2,144,544	5,916,963	276%	6,434,000	(1,627,507)
TOTAL NON-OPERATING REVENUES	**8,061,507**	**2,144,544**	**5,916,963**	**276%**	**6,434,000**	**(1,627,507)**
NON-OPERATING EXPENSES						
Financing	28,821	1,000	27,821	2782%	3,000	(25,821)
CAPITAL EXPENDITURES, TRANSFERS, & OTHER						
Capital Outlay	48,572	16,667	31,905	191%	50,000	1,428
Transfer to Programs Fund	28,874,000	28,874,000	-	0%	28,874,000	-
Nuclear Allocation	2,188,000	2,188,000	-	0%	2,188,000	-
Transfer to Building Fund	20,000,000	20,000,000	-		20,000,000	-
Transfer to CRCR Fund	4,300,000	4,300,000	-	0%	4,300,000	-
Transfer from Electrification Discount Fund	(45,048)	-	(45,048)	n/a	-	45,048
Transfer from CRCR Fund - customer bill relief	(690,250)	-	(690,250)	n/a	-	690,250
TOTAL OTHER USES	**54,675,274**	**55,378,667**	**(703,393)**	**-1%**	**55,412,000**	**736,726**
NET INCREASE(DECREASE) IN AVAILABLE FUND BALANCE	**-$13,160**	**-$28,714,432**	**$28,701,272**	**-100%**	**$73,797,000**	

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

REVENUE & OTHER SOURCES:	**BUDGET**	**ACTUAL**	**ADOPTED BUDGET REMAINING**	**ACTUAL/ ADOPTED BUDGET**
Transfers in - General Programs	$ 28,874,000	$ 28,874,000	$ -	100.0%
Transfers in - Nuclear Allocation	$ 2,188,000	$ 2,188,000	$ -	100.0%
Total	$ 31,062,000	$ 31,062,000	$ -	
EXPENDITURES & OTHER USES:				
Program expenditures*	27,099,994	1,898,470	25,201,524	7.0%
Net increase (decrease) in fund balance	**$ 3,962,006**	**$29,163,530**		
Fund balance at beginning of period		56,617,120		
Fund balance at end of period		$85,780,650		

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

REVENUE & OTHER SOURCES:	**BUDGET**	**ACTUAL**	**ADOPTED BUDGET REMAINING**	**ACTUAL/ ADOPTED BUDGET**
Transfer from Operating Fund	$ 4,300,000	$ 4,300,000	$ -	100.0%
EXPENDITURES & OTHER USES:				
Customer bill relief credit	4,300,000	690,250	3,609,750	16.1%
Other program expenditures	3,535,082	731,290	2,803,792	20.7%
Total Program expenditures	7,835,082	1,421,540	6,413,542	
Net increase (decrease) in fund balance	**$ (3,535,082)**	**3,568,710**		
Fund balance at beginning of period		5,483,032		
Fund balance at end of period		$9,051,742		

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

	BUDGET	ACTUAL	ADOPTED BUDGET REMAINING	ACTUAL/ ADOPTED BUDGET
REVENUE & OTHER SOURCES:				
Transfer from Operating Fund *	$ -	$ -	$ -	#DIV/0!
EXPENDITURES & OTHER USES:				
Program expenditures *	600,000	45,048	554,952	7.5%
Net increase (decrease) in fund balance	**$ (600,000)**	**(45,048)**		
Fund balance at beginning of period		9,446,460		
Fund balance at end of period		$9,401,412		

BUILDING FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2023 through January 31, 2023

	BUDGET	ACTUAL	ADOPTED BUDGET REMAINING	ACTUAL/ ADOPTED BUDGET
REVENUE & OTHER SOURCES:				
Transfer from Operating Fund *	$ 20,000,000.00	$ 20,000,000.00	$ -	100.0%
EXPENDITURES & OTHER USES:				
Program expenditures *	-	-	-	
Net increase (decrease) in fund balance	**$ 20,000,000**	**20,000,000**		
Fund balance at beginning of period		-		
Fund balance at end of period		$20,000,000		

SILICON VALLEY CLEAN ENERGY AUTHORITY

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

Net Increase (decrease) in available fund balance per budgetary comparison schedule	$	(13,160)
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position		
Subtract depreciation expense		(212,901)
Subract program expense not in operating budget		(2,629,760)
Add back GASB 87 expenses not in operating budget		167,027
Add back transfer to Program fund		54,626,702
Add back capital asset acquisition		48,572
Change in Net Position		**51,986,480**

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

	October	November	December	January	February	March	April	May	June	July	August	September	YTD
OPERATING REVENUES													
Electricity sales, net	$ 37,692,603	$ 39,705,552	$ 41,967,181	$ 47,091,508									$ 166,456,844
Green electricity premium	136,391	$ 117,438	$ 130,927	$ 144,552									529,308
Liquidated damages	-	$ 75,000	$ -	$ -									75,000
Other Income	2,500	$ 4,974	$ 5,850	$ 5,050									18,374
Total operating revenues	37,831,494	39,902,964	42,103,958	47,241,110	-	-	-	-	-	-	-	-	167,079,526
OPERATING EXPENSES													
Cost of electricity	31,160,273	$ 27,896,672	$ 20,303,980	$ 32,910,813									112,271,738
Staff compensation and benefits	910,013	$ 913,400	$ 1,028,282	$ 1,060,468									3,912,163
Data manager	253,895	$ 253,378	$ 253,607	$ 266,090									1,026,970
Service fees - PG&E	98,425	$ 98,101	$ 104,757	$ 98,337									399,620
Consultants and other professional fees	541,215	$ 504,693	$ 660,992	$ 742,608									2,449,508
Other operating expenses	420,848	$ 324,106	$ 862,366	$ 1,239,599									2,846,919
Depreciation	49,996	$ 56,455	$ 54,023	$ 52,427									212,901
Total operating expenses	33,434,665	30,046,805	23,268,007	36,370,342	-	-	-	-	-	-	-	-	123,119,819
Operating income (loss)	4,396,829	9,856,159	18,835,951	10,870,768	-	-	-	-	-	-	-	-	43,959,707
NONOPERATING REVENUES (EXPENSES)													
Grant income	-	$ -	$ -	$ -									-
Interest income	1,312,249	$ 2,670,244	$ 1,927,958	$ 2,151,056									8,061,507
Financing costs	(6,183)	$ (10,369)	$ (8,950)	$ (9,232)									(34,734)
Total nonoperating revenues (expenses)	1,306,066	2,659,875	1,919,008	2,141,824	-	-	-	-	-	-	-	-	8,026,773
CHANGE IN NET POSITION	**$ 5,702,895**	**$ 12,516,034**	**$ 20,754,959**	**$ 13,012,592**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 51,986,480**

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

Ending Balance of SVCE Accounts:	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	$ 22,348,341	$ 32,458,101	$ 46,012,498	$ 22,314,142	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
California Asset Management Program (CAMP)	$ 196,558,074	$ 184,428,757	$ 199,405,498	$ 232,403,050	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PFM Asset Management Investment Portfolio	$ 111,782,205	$ 112,312,183	$ 113,008,833	$ 113,738,828	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Ending Balance	**$ 330,688,620**	**$ 329,199,041**	**$ 358,426,829**	**$ 368,456,021**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Return On Investments:

Annual % Yield	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	3.47%	3.58%	3.73%	3.90%								
California Asset Management Program (CAMP)	5.56%	5.58%	5.55%	5.54%								
PFM Asset Management Investment Portfolio	5.41%	5.42%	5.40%	5.31%								
Average Return On Investments:	**5.37%**	**5.33%**	**5.27%**	**5.37%**								

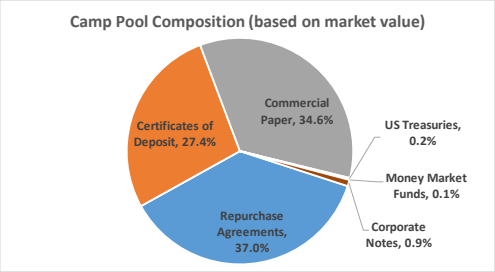
Interest Earned	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	$ 9,534	$ 9,534	$ 11,867	$ 17,766	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
California Asset Management Program (CAMP)	$ 830,321	$ 870,683	$ 976,741	$ 997,552	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
PFM Asset Management Investment Portfolio *	$ 464,328	$ 990,982	$ 1,071,559	$ 628,666	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Interest/Div. Earned	**$ 1,304,183**	**$ 1,871,200**	**$ 2,060,167**	**$ 1,643,984**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

* Includes change in current market value (excl. unsettled trades)

CAMP Portfolio Statistics

As of January 31, 2024

Beginning of the Month Market Value	$ 199,405,498
Ending of The Month Market Value	$ 232,403,050
Yield at Market	5.54%
Weighted Average Maturity (days)	44

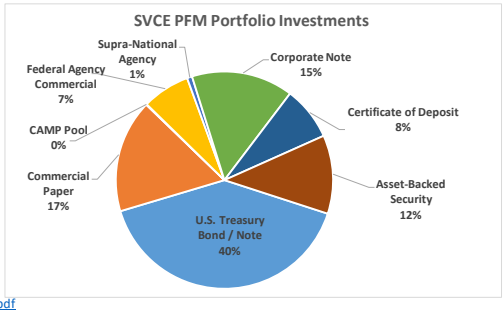


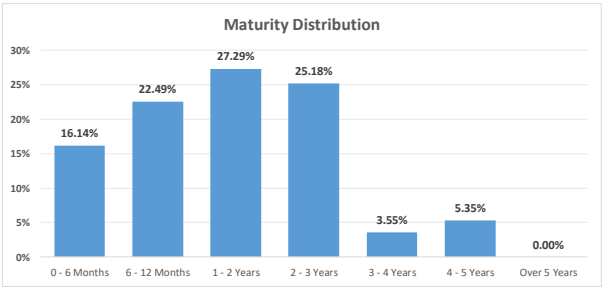
PFM Portfolio Statistics

As of January 31, 2024

Portfolio Par Value	$ 113,272,734
Portfolio Market Value (icl. Accrued Interest)	$ 113,738,828
Yield at Cost	5.31%
Yield at Market	4.79%
Benchmark Yield*	4.52%
Weighted Average Maturity (days)	593

*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

	October	November	December	January	February	March	April	May	June	July	August	Sept	YTD
Retail Sales Actual (GWh)	312.6	302.5	327.8	334.1									1,277
Retail Sales Budget (GWh)	331.7	322.1	350.5	335.5	297.1	311.4	286.9	302.4	331.4	355.3	373.4	347.6	1,340
Load deviation from the Budget	*-5.8%*	*-6.1%*	*-6.5%*	*-0.4%*									*-4.7%*
Customer Participation Rate Res	96.3%	96.3%	96.2%	96.2%									
Customer Participation Rate Com	96.8%	96.7%	96.6%	96.6%									
Total Accounts	278,236	278,201	278,312	278,523	-	-	-	-	-	-	-	-	
Opt-Out Accounts	56	29	51	73									209
Opt-Up Accounts	-18	-6	-5	-25									-54

Age Summary (as of 2/1/2024)

<30 days	$36,382,365
<60 days	$1,386,379
<90 days	$815,979
<120 days	$715,811
Older	$3,408,804

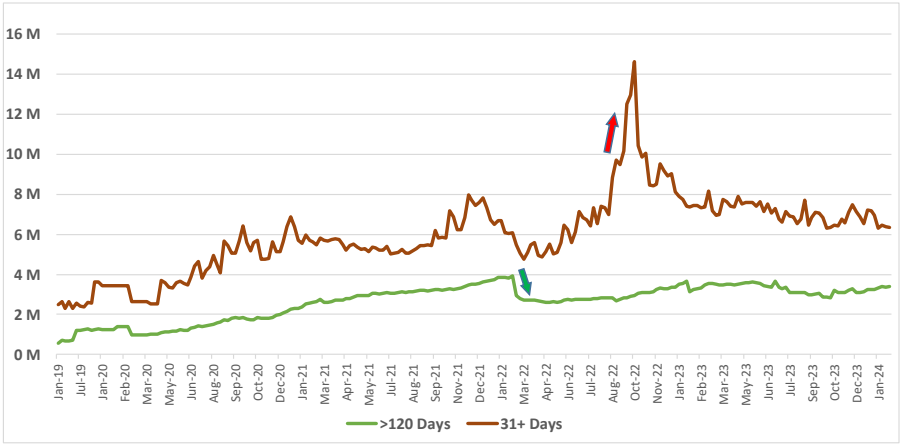
Accounts Receivable Days

28 Days

$42,709,337

TOTAL DUE

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	$6.3 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.

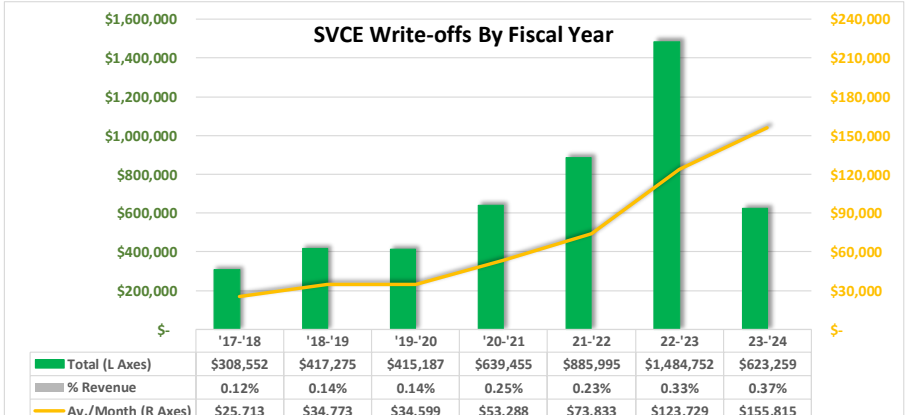
Bad Debt % (*Budget*)

0.90%

Bad Debt % (Actual)

January 2024 FYTD

0.37%



Silicon Valley Clean Energy | January 31, 2024

Certificate of Compliance

During the reporting period for the period ended January 31, 2024 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 **January 31, 2024**

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										
01/02/24	01/08/24	CATERPILLAR FINL SERVICE CORPORATE NOTES DTD 01/08/2024 4.500% 01/08/2027	14913UAE0	315,000.00	(314,659.80)	0.00	(314,659.80)			
01/02/24	01/08/24	JOHN DEERE CAPITAL CORP CORPORATE NOTES DTD 01/08/2024 4.500% 01/08/2027	24422EXF1	400,000.00	(399,556.00)	0.00	(399,556.00)			
01/02/24	01/09/24	COOPERAT RABOBANK UA/NY DTD 01/09/2024 4.850% 01/09/2026	21688ABA9	600,000.00	(599,772.00)	0.00	(599,772.00)			
01/03/24	01/10/24	NATIONAL AUSTRALIA BK/NY CORPORATE NOTES DTD 01/10/2024 4.750% 12/10/2025	63253QAF1	400,000.00	(399,348.00)	0.00	(399,348.00)			
01/08/24	01/11/24	MERCEDES-BENZ FIN NA CORPORATE NOTES DTD 01/11/2024 4.900% 01/09/2026	58769JAP2	800,000.00	(799,704.00)	0.00	(799,704.00)			
01/09/24	01/17/24	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7	110,000.00	(109,977.88)	0.00	(109,977.88)			
01/11/24	01/16/24	US TREASURY N/B NOTES DTD 01/15/2024 4.000% 01/15/2027	91282CJT9	2,000,000.00	(1,995,781.25)	(219.78)	(1,996,001.03)			
01/12/24	01/16/24	MUFG BANK LTD/NY COMM PAPER DTD 01/12/2024 0.000% 10/08/2024	62479LK87	2,250,000.00	(2,165,378.75)	0.00	(2,165,378.75)			
01/16/24	01/23/24	WELLS FARGO BANK NA CORPORATE NOTES (CAL DTD 01/23/2024 4.811% 01/15/2026	94988J6H5	1,000,000.00	(1,000,000.00)	0.00	(1,000,000.00)			
01/18/24	01/19/24	US TREASURY N/B NOTES DTD 01/15/2024 4.000% 01/15/2027	91282CJT9	1,500,000.00	(1,494,082.03)	(659.34)	(1,494,741.37)			
01/23/24	01/30/24	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0	335,000.00	(334,932.97)	0.00	(334,932.97)			
01/24/24	01/31/24	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/15/2027	161571HV9	695,000.00	(694,894.15)	0.00	(694,894.15)			
01/24/24	**02/05/24**	**NATIONAL RURAL UTIL COOP CORP NOTES (CAL DTD 02/05/2024 4.800% 02/05/2027**	**63743HFM9**	**500,000.00**	**(499,850.00)**	**0.00**	**(499,850.00)**			
Transaction Type Sub-Total				**10,905,000.00**	**(10,807,936.83)**	**(879.12)**	**(10,808,815.95)**			

Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2024**

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
INTEREST										
01/01/24	01/25/24	FHMS K059 A2 DTD 11/29/2016 3.120% 09/01/2026	3137BSRE5	700,000.00	0.00	1,820.00	1,820.00			
01/01/24	01/25/24	FHMS K039 A2 DTD 09/01/2014 3.303% 07/01/2024	3137BDCW4	1,071,818.74	0.00	2,950.18	2,950.18			
01/01/24	01/25/24	FHMS K058 A1 DTD 11/09/2016 2.340% 07/01/2026	3137BSP64	511,745.15	0.00	997.90	997.90			
01/01/24	01/25/24	FHMS K065 A1 DTD 07/24/2017 2.864% 10/01/2026	3137F1G36	785,738.37	0.00	1,875.30	1,875.30			
01/01/24	01/25/24	FHMS K057 A2 DTD 09/28/2016 2.570% 07/01/2026	3137BRQJ7	1,175,000.00	0.00	2,516.46	2,516.46			
01/01/24	01/25/24	FHMS K054 A2 DTD 04/20/2016 2.745% 01/01/2026	3137BNGT5	1,100,000.00	0.00	2,516.25	2,516.25			
01/01/24	01/25/24	FHMS K729 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FQXJ7	1,050,000.00	0.00	2,209.38	2,209.38			
01/01/24	01/25/24	FHMS K733 A2 DTD 11/09/2018 3.750% 08/01/2025	3137FJXQ7	571,238.97	0.00	1,785.12	1,785.12			
01/01/24	01/25/24	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4	750,000.00	0.00	1,426.25	1,426.25			
01/01/24	01/25/24	FNA 2015-M11 A2 DTD 07/30/2015 2.943% 04/01/2025	3136APSZ6	654,207.28	0.00	1,604.58	1,604.58			
01/10/24	01/10/24	COOPERATIEVE RABOBANK UA CORPORATE NOTES DTD 01/12/2022 1.375% 01/10/2025	21688AAS1	400,000.00	0.00	2,750.00	2,750.00			
01/13/24	01/13/24	AMERICAN HONDA FINANCE CORPORATE NOTES DTD 01/13/2022 1.500% 01/13/2025	02665WEA5	400,000.00	0.00	3,000.00	3,000.00			
01/15/24	01/15/24	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3	340,000.00	0.00	1,566.83	1,566.83			
01/15/24	01/15/24	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2	500,000.00	0.00	2,275.00	2,275.00			
01/15/24	01/15/24	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9	935,000.00	0.00	4,433.46	4,433.46			
01/15/24	01/15/24	HART 2023-C A2A DTD 11/13/2023 5.800% 01/15/2027	44918CAB8	645,000.00	0.00	3,117.50	3,117.50			

Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2024**

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
INTEREST										
01/15/24	01/15/24	US TREASURY NOTES DTD 07/15/2023 4.500% 07/15/2026	91282CHM6	2,500,000.00	0.00	56,250.00	56,250.00			
01/15/24	01/15/24	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	711,814.47	0.00	2,070.19	2,070.19			
01/15/24	01/15/24	NAROT 2023-B A2A DTD 10/25/2023 5.950% 05/15/2026	65480MAB9	925,000.00	0.00	4,586.46	4,586.46			
01/15/24	01/15/24	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4	240,000.00	0.00	1,108.00	1,108.00			
01/15/24	01/15/24	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4	805,000.00	0.00	3,461.50	3,461.50			
01/15/24	01/15/24	WOART 2023-D A2A DTD 11/08/2023 5.910% 02/16/2027	98164DAB3	350,000.00	0.00	1,723.75	1,723.75			
01/15/24	01/15/24	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1	840,000.00	0.00	4,018.00	4,018.00			
01/15/24	01/15/24	MBART 2023-2 A2 DTD 10/25/2023 5.920% 11/16/2026	58769FAB1	315,000.00	0.00	1,554.00	1,554.00			
01/15/24	01/15/24	HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3	550,000.00	0.00	2,470.42	2,470.42			
01/15/24	01/15/24	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1	825,000.00	0.00	3,595.62	3,595.62			
01/15/24	01/15/24	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8	355,000.00	0.00	1,522.36	1,522.36			
01/15/24	01/15/24	COPAR 2023-2 A2A DTD 10/11/2023 5.910% 10/15/2026	14044EAB4	1,100,000.00	0.00	5,417.50	5,417.50			
01/16/24	01/16/24	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2	470,000.00	0.00	2,263.83	2,263.83			
01/20/24	01/20/24	VALET 2023-2 A2A DTD 11/21/2023 5.720% 03/22/2027	92867YAB0	515,000.00	0.00	2,454.83	2,454.83			
01/21/24	01/21/24	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5	195,000.00	0.00	921.38	921.38			
01/22/24	01/22/24	PFAST 2023-2A A2A DTD 11/10/2023 5.880% 11/23/2026	732916AB7	1,100,000.00	0.00	5,390.00	5,390.00			
Transaction Type Sub-Total				**23,386,562.98**	**0.00**	**135,652.05**	**135,652.05**			

Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2024**

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
MATURITY										
01/12/24	01/12/24	NATIXIS NY BRANCH COMM PAPER DTD 04/17/2023 0.000% 01/12/2024	63873JAC4	2,250,000.00	2,250,000.00	0.00	2,250,000.00	51,358.12	0.00	
01/17/24	01/17/24	BANK OF AMERICA NA CERT DEPOS DTD 08/18/2023 5.720% 01/17/2024	06051WBU7	2,200,000.00	2,200,000.00	53,132.44	2,253,132.44	0.00	0.00	
Transaction Type Sub-Total				**4,450,000.00**	**4,450,000.00**	**53,132.44**	**4,503,132.44**	**51,358.12**	**0.00**	
PAYDOWNS										
01/01/24	01/25/24	FHMS K733 A2 DTD 11/09/2018 3.750% 08/01/2025	3137FJXQ7	288.00	288.00	0.00	288.00	9.47	0.00	
01/01/24	01/25/24	FHMS K039 A2 DTD 09/01/2014 3.303% 07/01/2024	3137BDCW4	41,043.70	41,043.70	0.00	41,043.70	662.15	0.00	
01/01/24	01/25/24	FNA 2015-M11 A2 DTD 07/30/2015 2.943% 04/01/2025	3136APSZ6	1,022.23	1,022.23	0.00	1,022.23	39.97	0.00	
01/01/24	01/25/24	FHMS K065 A1 DTD 07/24/2017 2.864% 10/01/2026	3137F1G36	20,882.45	20,882.45	0.00	20,882.45	901.37	0.00	
01/01/24	01/25/24	FHMS K058 A1 DTD 11/09/2016 2.340% 07/01/2026	3137BSP64	13,045.99	13,045.99	0.00	13,045.99	668.61	0.00	
01/15/24	01/15/24	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	35,674.22	35,674.22	0.00	35,674.22	926.69	0.00	
Transaction Type Sub-Total				**111,956.59**	**111,956.59**	**0.00**	**111,956.59**	**3,208.26**	**0.00**	
SELL										
01/08/24	01/08/24	US TREASURY NOTES DTD 08/31/2022 3.250% 08/31/2024	91282CFG1	400,000.00	395,343.75	4,642.86	399,986.61	3,406.25	843.03	FIFO
01/09/24	01/09/24	US TREASURY NOTES DTD 08/31/2022 3.250% 08/31/2024	91282CFG1	600,000.00	592,898.44	7,017.86	599,916.30	4,992.19	1,112.40	FIFO
01/09/24	01/11/24	US TREASURY NOTES DTD 08/31/2022 3.250% 08/31/2024	91282CFG1	800,000.00	790,625.00	9,500.00	800,125.00	6,750.00	1,483.74	FIFO
01/10/24	01/10/24	US TREASURY NOTES DTD 08/31/2022 3.250% 08/31/2024	91282CFG1	375,000.00	370,620.12	4,419.64	375,039.76	3,178.72	732.01	FIFO
01/12/24	01/16/24	MUFG BANK LTD/NY COMM PAPER DTD 05/31/2023 0.000% 02/23/2024	62479LBP9	2,250,000.00	2,237,222.50	0.00	2,237,222.50	53,960.00	570.00	FIFO

Managed Account Security Transactions & Interest

For the Month Ending **January 31, 2024**

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
SELL										
01/29/24	01/30/24	US TREASURY NOTES DTD 08/31/2022 3.250% 08/31/2024	91282CFG1	900,000.00	890,296.88	12,214.29	902,511.17	8,437.51	1,516.81	FIFO
01/31/24	**02/01/24**	**US TREASURY NOTES DTD 08/31/2022 3.250% 08/31/2024**	**91282CFG1**	**375,000.00**	**371,000.98**	**5,156.25**	**376,157.23**	**3,559.57**	**632.25**	**FIFO**
Transaction Type Sub-Total				**5,700,000.00**	**5,648,007.67**	**42,950.90**	**5,690,958.57**	**84,284.24**	**6,890.24**	
Managed Account Sub-Total					**(597,972.57)**	**230,856.27**	**(367,116.30)**	**138,850.62**	**6,890.24**	
Total Security Transactions					**($597,972.57)**	**$230,856.27**	**($367,116.30)**	**$138,850.62**	**$6,890.24**	

Bolded items are forward settling trades.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1c

Item 1c:	**Authorize the Chief Executive Officer to Execute a Three-Year Agreement with Tenaska Power Services for Scheduling Coordinator Services for Management and Monitoring of Generation in CAISOs Markets and All Future Annual Renewals for An Initial Agreement Not to Exceed $1,700,000 and Annual Renewal Not to Exceed $566,667**
From:	Girish Balachandran, CEO
Prepared by:	Kris Van Vactor, Director of Power Resources
Date:	3/13/2024

RECOMMENDATION

Staff recommends the Board approve and authorize the CEO to execute an agreement with Tenaska Power Services (TPS) for Scheduling Coordination Services for Management and Monitoring of Generation in the California Independent System Operator Market (Attachment 1) for an initial term of three years from the effective date of the contract for an amount not to exceed $1,700,000, inclusive for this term. The contract has the ability to annually renew for an amount not to exceed $566,667 annually.

This agreement in final form will allow SVCE to schedule and consolidate all its Scheduling Coordination (SC) generation resources into one system.

BACKGROUND

Silicon Valley Clean Energy (SVCE) is a load serving entity (LSE) and a market participant in the California Independent System Operator (CAISO) balancing authority. As a participating LSE, SVCE must schedule all its electric load, in hourly increments, and power supply resources into the CAISO. SVCE's load and resources must be represented by SC in the CAISO. Since its launch, SVCE has outsourced the SC function to a third-party vendor equipped with the software and systems necessary to meet the CAISO's SC requirements, including staffing available on a 24x7 basis.

SVCE's clean energy procurement strategy since its start has been to procure and integrate various technologies into CAISO markets to add value to SVCE's energy portfolio. To date, SVCE has signed over 20 power purchase agreements directly, in partnership with Central Coast Community Energy (CCCE) and/or with California Community Power (CCPower). These agreements support SVCE's clean energy goals, while also enhancing grid reliability and/or meeting procurement mandates.

The SC service allows for resources to be commercially viable in CAISOs balancing authority by scheduling those resources into the Day-ahead and Real-time markets and receiving revenue for the attributes that are sold to those markets. Currently SVCE has 3 resources that are contractually required to be managed by an SC of SVCE's choosing.

ANALYSIS & DISCUSSION

In April of 2023, SVCE along with CCCE and CC Power issued a Request for Information (RFI) to provide SC Services for the fleet of resources both agencies have under contract. Specifically, the RFI was looking for

information on the ability of the marketplace to provide SC Services that supported specific functions including but not limited some Short-Term Planning capability, Day-Ahead Scheduling capability and a robust Real-time team with a Supervisory Control and Data Acquisition system that has schedule deviation alarming capability.

In all, the RFI was sent to 8 market participants. The agencies received information from five companies, of which three were selected to provide final proposals. In June 2023 a Request for Proposal (RFP) was issued, all three participants were interviewed and in July TPS was selected as the most competitive proposal.



Vendor

Established in 1997, TPS is a Federal Energy Regulatory Commission (FERC)-certified power marketing company engaged in the buying and selling of wholesale and retail power and the provision of power marketing and energy management services throughout the United States. With a 200+ person staff headquartered in Irving, Texas, TPS focuses on providing energy management solutions to third-party customer generation assets and retail and wholesale load in various markets including the California Independent System Operator (CAISO), Western Electricity Coordinating Council(WECC), Electric Reliability Council of Texas (ERCOT), Southeast Reliability Council (SERC), Midcontinent Independent System Operator (MISO), Southwest Power Pool (SPP), Pennsylvania New Jersey Maryland Interconnection (PJM), New York Independent System Operator (NYISO), and Independent System Operator of New England (ISONE).

STRATEGIC PLAN

Execution of the TPS-SVCE SC agreement supports SVCE's Strategic Plan as follows:

Goal 8: Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives.

Measure 3: 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.

ALTERNATIVE

Do not authorize the CEO to execute the agreement with TPS and, instead, use existing SC to manage resources in CAISOs market. Staff does not recommend this alternative. Staff sought SC services to incrementally improve operations and not executing this agreement would risk that improvement. Additionally, while this is a critical function it would be costly to bring many of these functions in house. At some point SVCE may choose to hire staff and procure tools to do this work and will undertake an assessment of the merits of doing so.

Agenda Item: 1c **Agenda Date: 3/13/2024**

FISCAL IMPACT

Ultimate execution of the agreement will result in costs to SVCE starting in Fiscal Year (FY) 2024, which have been included in the Board-approved FY 2024 operating budget. Staff's spending authority over the term of the contract will be limited to the amount $1,700,000. Annual renewals, which will start in 2026-27 will be limited by $566,667.

ATTACHMENT

1. TPS-SVCE SC Agreement for Management and Monitoring of Generation in CAISOs Markets.

SCHEDULING COORDINATOR AGREEMENT

This Scheduling Coordinator Agreement ("***Agreement***") is executed on March ___, 2024 ("***Effective Date***") between Silicon Valley Clean Energy Authority, a California joint powers authority ("**SVCE**") and Tenaska Power Services Co. ("***TPS***"), a Nebraska corporation. SVCE and TPS are also hereinafter referred to in this Agreement individually as "***Party***" and collectively as the "***Parties***".

This Agreement consists of and is governed by the Base Agreement and the General Terms and Conditions attached hereto, together with attached exhibits incorporated by reference in this Agreement.

RECITALS

WHEREAS, SVCE directly or indirectly owns, controls and/or has power purchase and energy storage agreements ("***PPAs***") with generating facilities located within the CAISO and WECC markets as described further in Exhibit A hereto (the "***Resource(s)***"), and participates in the CAISO markets (the "***Project***");

WHEREAS, TPS is in the business of providing Scheduling Coordinator services, including scheduling Energy, load, Capacity, Ancillary Services, and managing congestion revenue rights from generating facilities through the markets operated by CAISO;

WHEREAS, SVCE desires TPS to provide certain Scheduling Coordinator Services and other services for the Resources and Services, as defined below and as set forth in this Agreement, in each case, in accordance with the terms and conditions as set forth herein;

WHEREAS, TPS desires to perform certain Scheduling Coordinator Services and other services for the Resources and Services, in each case, on the terms and conditions as set forth herein;

NOW, THEREFORE, in consideration of the premises, together with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, SVCE and TPS agree as follows:

BASE AGREEMENT

1. DESIGNATION

Except as provided in this Section 1, no Party will be an agent, partner, joint venturer, or legal representative of any other Party for any purpose whatsoever, and no Party is authorized to assume or create any obligation, liability, or responsibility, expressed or implied, on behalf of or in the name of any other Party, or to bind any other Party to any Third Party in any manner whatsoever; *provided, however*, that SVCE authorizes TPS to act, and TPS agrees to act, subject to the terms of this Agreement, as SVCE's exclusive provider of the Services for the Resources. The Parties shall conduct their respective duties, obligations, and operations related to this Agreement in accordance with the terms of this Agreement, the Governing Rules, and Prudent Industry Practice.

The relationship of SVCE, on the one hand, with TPS, on the other hand, as set forth in this Agreement is one of an independent contractor.

2. SCHEDULING COORDINATOR SERVICES

2.1 SCID Services. TPS has obtained, or shall promptly obtain upon execution of this Agreement, an SCID that will be unique to the Resources, and TPS represents and warrants that such SCID has not been previously used and shall not be used in connection with any other transactions or Resources. TPS shall use such SCID only in respect of Transactions for SVCE and the Resources, and not for any other transaction, Resources or purpose. TPS shall be responsible for satisfying the CAISO credit requirements under the Governing Rules, including posting all required security. TPS shall pass through to SVCE the actual SCID cost assessed by CAISO ("***CAISO SCID Fee***") for such SCID.

The Parties understand and agree that it is SVCE's intent to obtain SVCE's own Scheduling Coordinator ID for SVCE's use during the Term of this Agreement. To the extent necessary, TPS shall assist SVCE in facilitating the transition with the CAISO from the SCID obtained by TPS for SVCE's Resources to SVCE's own SCID. Furthermore, the Parties agree to cooperate in good faith to make necessary changes to this Agreement to accommodate this transition, provided however, such changes shall not include adjustments to the Fixed Monthly Fee for Services to be provided under this Agreement.

2.2 Scheduling. If the TPS Customer Portal is available, SVCE will utilize it to communicate desired Energy and Ancillary Services schedules for the DAM and Real-Time FMM scheduling cycles. Otherwise, a TPS developed scheduling spreadsheet template will be submitted by SVCE for the DAM and all Real-Time FMM scheduling cycles. TPS will provide, and SVCE grants TPS the authority to perform, scheduling services for the Resources in the role of SVCE's Scheduling Coordinator in accordance with (i) the Governing Rules, (ii) Prudent Industry Practice, and (iii) instructions from SVCE. As part of its Scheduling Coordinator responsibilities under this Agreement, TPS will submit all Energy and Ancillary Services bids and offers consistent with the rules and regulations of CAISO and the directions of SVCE. TPS will schedule all output from the Resources consistent with each Resource's operational and economic parameters as communicated to TPS by SVCE; *provided, however*, to the extent TPS determines in its reasonable discretion that the scheduling of Products from any Resource to a Third Party creates any TPS Credit Exposure, in excess of the SVCE Threshold, for which TPS is not sufficiently secured, then TPS shall not be required to continue scheduling such Products to a Third Party unless and until TPS receives sufficient Credit Support from SVCE to mitigate TPS's Credit Exposure, in excess of the SVCE Threshold. Subject to the foregoing sentence, TPS will schedule all Transactions with the appropriate Third Parties, transmission providers, and balancing authorities, in accordance with this Agreement. SVCE will provide TPS all information relevant to or required by the Governing Rules in order to satisfy all relevant data and information required for participation in the CAISO markets. Such information will be provided to TPS in those time increments, quantities, duration, and terms in compliance with the Governing Rules.

Each component of SVCE's offers (collectively and individually) shall, when provided to TPS, be in a form intended to satisfy the requirements of the Governing Rules. If TPS discovers that SVCE's offers conflict with the requirements of the Governing Rules, TPS shall immediately notify SVCE thereof and shall coordinate with SVCE to modify SVCE's offers to comply with such requirements. If offers cannot be modified, then TPS will have the right to reject SVCE's offers to remedy any conflict therewith, and shall immediately notify SVCE thereof. SVCE will provide or make available to TPS all such information using the format, software, and communication format and specifications, and other technical criteria mutually agreed between the Parties. SVCE will provide TPS the necessary information at least two (2) hours prior to any applicable deadline specified under the Governing Rules. SVCE may, in lieu of providing specific offers to TPS, provide

TPS specific procedures and operating rules to be used by TPS to generate all or a portion of the offers. If SVCE does so, then TPS shall generate offers in accordance with such procedures and operating rules and submit such offers to the applicable CAISO markets in accordance with the Governing Rules.

2.3 Schedule Changes. Notwithstanding Section 2.2, SVCE may change information previously provided to TPS, provided any such change is provided to TPS no later than any applicable deadline specified under the Governing Rules. Provided that SVCE provides any such change in accordance with the deadlines provided within this Section 2.3, TPS will use commercially reasonable efforts to timely implement any such changes. In the event that any change timely provided to TPS differs from prior information for the same time period, such subsequent information, upon receipt by TPS, shall supersede the prior information, and TPS will rely upon and implement the most recent information when submitting such information to CAISO for SVCE. TPS shall promptly notify SVCE if it is unable to implement any changes provided by SVCE and provide explanation why TPS was not able to implement the changes and a mitigation plan that would enable TPS to implement the changes in the future.

2.4 24-Hour Monitoring. For Products delivered from the Resources to CAISO, TPS will administer and monitor sales to CAISO. TPS will provide SVCE with access to the CAISO Energy markets (including, without limitation, the Capacity bilateral markets) and the Services twenty-four (24) hours per Day, seven (7) Days per week, subject to market availability and operational limitations of the Resources. TPS will timely communicate with CAISO regarding the Resources and, as soon as practicable, inform SVCE of any and all CAISO directives or instructions affecting the Resources.

2.5 Outage Reporting. TPS will provide Outage scheduling services to SVCE, which will consist solely of relaying to CAISO, in such electronic data transmission format as is authorized by CAISO for the transmission of Outage information, all information furnished to TPS by SVCE concerning the Resources' Outages and relaying to SVCE in a timely manner all electronic data received from CAISO concerning Outages at the Resources. TPS will transmit each Resource's Outage data to CAISO within time periods specified for the transmission of such data under the CAISO Agreements. SVCE shall be responsible for furnishing such data required by the CAISO Agreements to TPS in sufficient time to permit TPS to comply with applicable timing requirements of the CAISO Agreements. If TPS's Customer Portal is available, SVCE will utilize it to communicate Outage information. Otherwise, SVCE shall provide the information to TPS in a template provided by TPS.

2.6 Shadow Settlement. TPS will use its proprietary data management and calculation engine, PowerTools Platform®©, to shadow settle all CAISO settlement statement versions regarding the Resources. TPS will analyze discrepancies found between TPS's internally generated settlement statements and CAISO's settlement statements. SVCE will provide TPS parameters for further investigation of such discrepancies and filing of disputes with CAISO. For discrepancies falling within SVCE's parameters, TPS will file disputes with CAISO for SVCE, will manage these disputes with CAISO, and will regularly provide SVCE a status report on all filed disputes. TPS will also review all additional CAISO settlement statements to verify CAISO has made requested changes to prior statements and to verify the accuracy of any additional CAISO charges and credits.

2.7 RA Supply Plans. TPS will file Resource Adequacy supply plans, if any, with CAISO on behalf of SVCE and shall provide a copy of such plans to SVCE at the same time the plans are filed with CAISO.

2.8 Support Services. The Parties acknowledge and agree that TPS will be unable to commence providing the Services contemplated by this Agreement until all necessary registrations, acknowledgements, agreements and other documentation ("***Documentation***") have been provided to and approved by CAISO to enable TPS to commence providing the Services. The period of time from the Effective Date of this Agreement until the Commencement Date is defined as the "***Support Services Period***". During the Support Services Period, SVCE and TPS shall each work diligently to ensure that all necessary Documentation is completed and necessary CAISO approvals are obtained expeditiously. SVCE shall notify TPS of the completion of all necessary Documentation and approvals. Subject to the terms of this Agreement and starting on the Effective Date, TPS shall provide to SVCE the services necessary to ensure the commencement of the Services, as such services are described in Exhibit C hereto (the "***Support Services***"). All Services under this Agreement (other than Support Services) will commence on the Commencement Date.

3. RESERVED

4. OPERATIONAL SERVICES

4.1 Schedule of Costs. The expectation is that the Resources will be economically bid into the CAISO market. SVCE will provide in writing to TPS information and instructions setting forth the bids for each Resource. If applicable, SVCE will also provide TPS information and instructions on Ancillary Services bids with respect to each Resource. SVCE will notify TPS in writing via the TPS provided template of any revisions to the operational and economic parameters for the bids. Any revision will only apply to Transactions entered into or agreed upon hereunder after receipt of such revisions by TPS.

4.2 Dispatch Instructions. The Parties acknowledge that from time to time, CAISO or a Governmental Authority may issue verbal instructions or orders to TPS affecting or requiring specific actions with respect to operation of the Resources (collectively, "***CAISO Dispatch Instructions***"). CAISO Dispatch Instructions will be communicated to SVCE following receipt of such by TPS. Based on the CAISO Dispatch Instructions, TPS shall communicate to SVCE the quantities of Energy (or any other Product) to generate or provide, or to cease generating or providing, and the time period during which such instructions are to be followed, and SVCE shall endeavor to cause the applicable Resource to promptly comply with such instructions consistent with the operational limitations of such Resource, as appropriate; *provided* that, if in the sole and reasonable judgment of SVCE, such compliance would create a threat to safety, risk of bodily harm or damage to equipment, or is not otherwise in compliance with the CAISO Agreements, SVCE will notify TPS immediately of the reason for non-compliance and TPS will communicate such reason to CAISO in accordance with the CAISO Agreements. TPS shall not be liable to SVCE for any damages resulting from compliance or non-compliance with any CAISO Dispatch Instruction except to the extent any non-compliance is directly attributable to TPS's (i) breach of this Agreement (ii) failure to comply with such CAISO Dispatch Instruction, (iii) failure to timely provide notice of such CAISO Dispatch Instruction to SVCE, or (iv) incorrect communication to SVCE of the details of such CAISO Dispatch Instruction; *provided, however*, that any payment required shall remain subject to the limitation of liability in Section 10.2 of the General Terms and Conditions.

5. PAYMENTS

5.1 Set-Up Fee. TPS shall charge SVCE a one-time fee for establishing and configuring the telemetry and other communication equipment and software linking the Resources to TPS (and to CAISO where applicable) and for provision of the Support Services described in

Exhibit C ("***Set-Up Fee***"). The Set-Up Fee shall equal to twenty thousand Dollars ($20,000) for the Resources identified in Exhibit A. Any Resource which SVCE may request to be added to Exhibit A after the Effective Date shall be subject to TPS's approval, an additional Set-Up Fee negotiated between the Parties, and an amendment to this Agreement.

5.2 Fixed Monthly Fee. For performance of the Services described herein, SVCE shall pay TPS a monthly fee equal to the amount listed for the corresponding Resource in Exhibit A ("***Fixed Monthly Fee***") in arrears and prorated for any partial Month of Service, beginning on the Resource Commencement Date and continuing throughout the Term; *provided* that the Fixed Monthly Fee shall increase by the Escalator on the first day of the Month of each anniversary of the Commencement Date. Any Resource requested by SVCE for addition to Exhibit A after the Effective Date shall be subject to an additional Fixed Monthly Fee negotiated between the Parties and memorialized in an amendment hereto.

5.3 Pass Through Amounts and Reimbursements. Except when specified otherwise under this Agreement, SVCE shall pay TPS all Pass Through Amounts in accordance with this Agreement. TPS shall pass through to SVCE all settlement amounts it receives from CAISO for SVCE's Products in accordance with Section 6.1 of the General Terms and Conditions. Notwithstanding anything to the contrary, no amounts shall be recovered twice pursuant to this Agreement.

6. TERM

(a) All Services and the obligation to pay fees under this Agreement, other than the Support Services and the Set-Up Fee, respectively, shall be effective as of the Commencement Date unless provided otherwise in this Agreement. All other terms, provisions, and obligations, including the Support Services, the Set-Up Fee, and associated Pass Through Amounts, shall be effective as of the Effective Date of this Agreement. This Agreement shall have a primary term beginning on the Commencement Date and expiring at 11:59:59 p.m. PPT on December 31, 2026 (the "***Initial Term***"). Upon expiration of the Initial Term, this Agreement shall then automatically renew and extend for successive one (1) year terms (each a "***Renewal Term***") unless either Party provides written notice of non-renewal to the other Party no later than sixty (60) Days prior to the expiration of the Initial Term or any Renewal Term (as applicable).

(b) Transition of Scheduling Coordinator Services.

(i) If an Event of Default or Force Majeure occurs and is continuing with respect to TPS, TPS shall cooperate in good faith with SVCE and promptly execute all documents and take all other reasonable steps requested by SVCE that may be required or reasonably necessary to transition the Scheduling Coordinator function from TPS to SVCE's designee. Without limiting the generality of the foregoing, TPS hereby agrees that SVCE has the power and right, without notice to or assent by TPS, upon the occurrence and during the continuation of any Event of Default or Force Majeure (or any other event that pursuant to the express provisions hereof allows SVCE to replace TPS as SVCE's Scheduling Coordinator), to execute all documents and take all other reasonable steps which may be required or reasonably necessary to transition the Scheduling Coordinator Services from TPS to SVCE's designee. TPS agrees that any request by SVCE that TPS take any action pursuant to this Section 6(b), and any action taken by SVCE pursuant to this Section 6(b), shall not constitute a

breach of any obligation in this Agreement that TPS be the exclusive provider of any Services. Subject to Section 13 of the General Terms and Conditions, to the extent a Force Majeure with respect to TPS ceases to exist, then SVCE may elect to transition the Scheduling Coordinator Services from SVCE's designee back to TPS. If the Scheduling Coordinator Services are transitioned to SVCE's designee due to an Event of Default with respect to TPS and SVCE does not terminate this Agreement in accordance with Section 11 of the General Terms and Conditions, the Parties shall cooperate in good faith to transition the Scheduling Coordinator Services from SVCE's designee back to TPS at such time as such Event of Default is cured by TPS or otherwise ceases to exist. This Section 6(b) shall survive the expiration or earlier termination of this Agreement.

(ii) If TPS ceases to be the Scheduling Coordinator for the Resources and other Transactions due to the expiration or earlier termination of this Agreement or any other reason, or if TPS is performing the Scheduling Coordinator Services solely pursuant to the application of Section 6(c) of the Base is Agreement, TPS shall cooperate with SVCE's requests to transition the Scheduling Coordinator Services and other Services hereunder (including executing any consents or documents and taking all other steps as may be required under the CAISO Agreements or as SVCE may otherwise reasonably request to remove TPS as Scheduling Coordinator for the Resources), and SVCE shall be responsible for notifying CAISO, the CPUC, and any Third Parties, as applicable, involved or relating to this Agreement, of the removal of TPS as SVCE's Scheduling Coordinator for the Resources. In the event that, after the expiration or earlier termination of this Agreement, TPS receives statements or invoices from CAISO or other Third Parties related to SVCE or pertaining to the Resources or any Transactions, as outlined in Section 6.1 of the General Terms and Conditions, TPS shall pass through charges reflected in those statements or invoices to SVCE and SVCE shall be responsible for payment. This Section 6(b) shall survive termination of this Agreement.

(c) Notwithstanding anything to the contrary in any provision of this Agreement, but without limiting the Parties' obligations under Section 6(b) of the Base is Agreement, if, on the date this Agreement would expire or otherwise terminate, CAISO's system still recognizes TPS as the Scheduling Coordinator for the Resources, then the Term of this Agreement shall be deemed to continue (and the terms of this Agreement shall survive) until the date that CAISO confirms in its system that TPS is no longer the Scheduling Coordinator for the Resources.

(d) Termination for Performance. If at any time a Party believes the performance of the other Party under this Agreement is deficient, such Party has the right to provide the other Party with written notice of the performance deficiency, along with a description of the performance deficiency ("***Notifying Party***"). Upon receipt of such notice of performance deficiency, the Party receiving notice ("***Notified Party***") shall have thirty (30) Days to correct such performance deficiency and within seven (7) Days from receipt of the notice to provide a written description to the Notifying Party of the remedial actions taken or to be taken to restore or improve the quality of performance, including by addressing the areas of performance identified in the notice. If the Notified Party fails within such thirty (30) Days to restore the quality of performance to a level deemed satisfactory to the Notifying Party in such Party's reasonable discretion, such Party shall have the

right, following expiration of the thirty (30) Day remediation period, to terminate this Agreement by providing thirty (30) Days' written notice to the Notified Party and designating a termination date ("***Termination for Performance***"). Within thirty (30) Days following the effective date of any such Termination for Performance, each Party will pay to the other Party the sum of all amounts that are owed for activity performed prior to such effective date, but no additional termination fee will be owed. For the avoidance of doubt, (a) the rate or amount of fees for Services payable under Section 5 of the Base Agreement or (b) the experience of lower than desired revenues received by SVCE for sales of Products where such lower revenues result from general market conditions, rather than caused by the performance of a Party, shall not be grounds for invoking a Termination for Performance. The obligations in this Section shall survive the expiration or earlier termination of this Agreement.

(e) For the avoidance of doubt, from and after the Effective Date and for the duration of the Term, no Party shall have any right to terminate this Agreement early or otherwise exercise a non-renewal of this Agreement except to the extent expressly permitted under the terms of this Agreement or as otherwise mutually agreed by the Parties in writing.

WITNESS that the Parties have executed this Agreement effective as of the Effective Date.

SILICON VALLEY CLEAN ENERGY

By: _____

Name: _____

Title: _____

TENASKA POWER SERVICES CO.

By: _____

Name: Kevin R. Smith

Title: President

DRAFT

GENERAL TERMS AND CONDITIONS

SECTION 1
DEFINITIONS

As used in this Agreement and any amendments hereto, and in addition to other terms elsewhere defined in this Agreement, each of the following terms shall have the indicated meanings; provided, however, capitalized terms not otherwise defined herein shall have the same meanings defined in the Governing Rules.

"***Affected Party***" has the meaning given that term in Section 8.3 of the General Terms and Conditions.

"***Affiliate***" means, with respect to any Person, (i) any other Person, directly or indirectly, controlling, controlled by, or under common control with such Person, or (ii) any other Person under the joint control, directly or indirectly, of such Person. As used in this definition, the term "control" and similar terms shall mean the ownership of more than fifty percent (50%) of the voting securities of such Person or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, through ownership of voting securities, by contract or otherwise.

"***Agreement***" has the meaning assigned to such term in the preamble of this Agreement.

"***Ancillary Services***" has the meaning given that term in the CAISO Agreements.

"***Applicable Laws***" means any act, statute, law, regulation, permit, license, ordinance, rule, judgment, order, decree, directive, guideline, or policy (to the extent mandatory) or any similar form of decision or determination by, or any interpretation or administration of, any of the foregoing by any Governmental Authority with jurisdiction over the Resources, TPS, SVCE, or the Services to be performed under this Agreement.

"***Assessments***" has the meaning set forth in Section 8.3 of the General Terms and Conditions.

"***Business Day***" means any Day other than a Saturday, Sunday, or Day on which Federal Reserve member banks in New York are closed for business.

"***Business Hours***" shall mean the consecutive hours from 8:00 a.m. to 5:00 p.m. Central Prevailing Time on Business Days.

"***CAISO***" means the California Independent System Operator Corporation or any successor thereto.

"***CAISO Agreements***" means CAISO Tariff, CAISO Business Practice Manuals and any other applicable CAISO bylaws, procedures, rules, manuals or documents, or any successor, superseding or amended versions thereof that may take effect from time to time.

"***CAISO Business Practice Manuals***" shall mean the Business Practice Manuals published by CAISO, as amended, restated, supplemented, or otherwise modified from time to time.

"***CAISO Dispatch Instructions***" shall have the meaning given that term in Section 4.2 of the Base Agreement.

"***CAISO SCID Fee***" has the meaning given that term in Section 2.1 of the Base Agreement.

"***CAISO Tariff***" shall mean the California Independent System Operator Corporation Fifth Replacement FERC Electric Tariff, effective April 1, 2022, as amended from time to time, including any schedules, appendices or exhibits attached thereto.

"***Capacity***" means any capacity used to meet reliability requirements or the ability to generate and provide or deliver a Product, and includes the meaning defined in the Governing Rules.

"***Commencement Date***" means the later of (i) the Effective Date, or (ii) the date upon which TPS receives notice that CAISO authorizes TPS to commence representing the first Resource identified on Exhibit A within CAISO's system.

"***Confidential Information***" has the meaning given that term in Section 14.1(a) of the General Terms and Conditions.

"***Central Prevailing Time***" or "***CPT***" shall mean standard time or daylight saving time, as applicable to the central time zone of the United States.

"***CPUC***" means the California Public Utilities Commission (or any successor thereto that regulates public utilities in California).

"***Credit Exposure***" shall mean the net amount one Party would owe the other Party if all Transactions and Services between the Parties under this Agreement were closed out and terminated, and all obligations under this Agreement were accelerated and netted against amounts the other Party would owe such Party on the date of credit calculation to derive the amount of credit exposure faced by one Party to the other Party or a Third Party. This calculation will include amounts owed for delivered Products or Services whether billed or unbilled, the forward value of committed but undelivered Products taking into account deviations in the current market value of a Product from the value or price of such Product prevailing at the time a Transaction was entered into, or prevailing at the time such Product was offered into CAISO, the forward value of amounts owing to or from CAISO for estimated future settlement obligations and revisions, and any fees for Services due and owing under this Agreement.

"***Credit Support***" shall mean cash, pre-payments, letters of credit, and, if acceptable to the requesting Party, may include guarantees or other reasonable forms of security.

"***Daily Schedule***" shall have the meaning given that term in Section 3.2(a) of the General Terms and Conditions.

"***Damages Cap***" has the meaning given that term in Section 10.2 of the General Terms and Conditions.

"***Day***" shall mean a calendar day.

"***Day-Ahead***" has the meaning given that term in the CAISO Agreements.

"***Day-Ahead Market***" or "***DAM***" has the meaning given that term in the CAISO Agreements.

"***Defaulting Party***" has the meaning given that term in Section 11.2 of the General Terms and Conditions.

"***Delivery Point***" shall mean the physical point(s) where SVCE delivers Products, which in a typical Transaction shall be the point(s) at which the electric interconnection facilities utilized to meter and financially settle the delivery of Products from the Resources, meet with the high voltage side of the physical interconnection between the Resources and the applicable

transmission service provider. For a specific Transaction, the Parties may agree to any Delivery Point that is a defined point at which financial settlement may occur within the CAISO region.

"***Documentation***" has the meaning set forth in Section 2.8 of the Base Agreement.

"***Due Date***" means the tenth (10th) Day after SVCE's receipt of TPS's invoice; provided, however, if such Day is not a Business Day, the next Business Day.

"***Effective Date***" has the meaning given in the Preamble of the Agreement.

"***Energy***" has the meaning given the term in the CAISO Agreements.

"***Energy Imbalance Market***" or "***EIM***" has the meaning given the term in the CAISO Agreements.

"***Escalator***" shall equal the greater of (i) the percentage change in the Consumer Price Index for Urban Areas or "CPI-U" published by the U.S. Department of Labor and applicable for the twelve (12) consecutive Months ending prior to the first Day of the Month in which the Commencement Date occurs each year during the Term, from the annual average CPI-U prevailing for the prior twelve (12) consecutive Month period, or (ii) two percent (2.0%).

"***Event of Default***" has the meaning set forth in Section 11.1 of the General Terms and Conditions.

"***FERC***" means the Federal Energy Regulatory Commission or any successor thereto.

"***Fifteen-Minute Market***" or "***FMM***" has the meaning as defined in the CAISO Agreements.

"***Fixed Monthly Fee***" has the meaning set forth in Section 5.2 of the Base Agreement.

"***Force Majeure***" has the meaning set forth in Section 13.1 of the General Terms and Conditions.

"***Governing Rules***" shall mean all applicable CAISO Agreements and any applicable rules and/or directives of CAISO, the CPUC, NERC, FERC or any successor thereto, as the same may be amended from time to time.

"***Governmental Authority***" shall mean any federal, state or local government, court of competent jurisdiction, administrative agency or commission or other governmental or regulatory instrumentality, agency, authority or authorized arbitral body thereof, including without limitation, CAISO, the CPUC and the NERC.

"***Imaged Agreement***" has the meaning set forth in Section 16.12 of the General Terms and Conditions.

"***Initial Term***" has the meaning set forth in Section 6(a) of the Base Agreement.

"***Interest Rate***" means, for any date, the lesser of (i) the per annum rate of interest equal to the *"Prime 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%) or (ii) the maximum rate permitted by Applicable Law.

"***Inter-SC Trade***" has the meaning given the term in the CAISO Agreements.

"***Material Adverse Change***" means, with respect to a Party, or The Tenaska Guarantors, as applicable, the occurrence of one or more events which, in the commercially reasonable

judgement of the other Party, constitutes a material adverse change in the creditworthiness, financial liquidity, access to capital, financial responsibility or ability of the Party or the Tenaska Guarantors to perform their obligations under this Agreement or the Tenaska Guaranty, as applicable.

"***Month***" means a calendar month.

"***MW***" means one megawatt.

"***MWh***" means one megawatt/hour.

"***NERC***" means the North American Electric Reliability Corporation or any successor thereto.

"***Non-Defaulting Party***" shall have the meaning set forth in Section 11.2 of the General Terms and Conditions.

"***Notified Party***" shall have the meaning set forth in Section 6(d) of the Base Agreement.

"***Notifying Party***" shall have the meaning set forth in Section 6(d) of the Base Agreement.

"***Outage***" shall have the meaning given the term in the CAISO Agreements and shall also include any Forced Outage, Approved Maintenance Outage, Maintenance Outage (as each such term is defined in the CAISO Agreements), or decrease in capacity or output at any Resource, whether or not caused by an event of Force Majeure, resulting in interruption, curtailment, reduction, or cessation of the production or provision of Products from the Resource.

"***Party***" or ***"Parties***" has the meaning set forth in the Recitals.

"***Pass Through Amounts***" shall mean, without duplication, all actual, direct Third Party costs incurred by TPS; all charges assessed against TPS by CAISO or any other Governmental Authority and payable by TPS; all credits received by TPS from CAISO; and, to the extent expressly stated to be a Pass Through Amount herein, amounts payable to any other Third Party; *provided*, in each case, that such costs and charges are directly allocable to TPS's performance of the Services in accordance with the terms of this Agreement and are directly allocable to Services performed for the Resources, excluding TPS's cost of (i) providing any Credit Support to SVCE; (ii) any Credit Support provided to CAISO; or (iii) doing business in CAISO generally. Except with respect to Pass Through Amounts related to CAISO, transmission costs and any charges assessed or imposed by any Governmental Authority, TPS shall use commercially reasonable means to obtain the prior approval of SVCE before incurring any other Third Party costs or charges that are to be passed through to SVCE as Pass Through Amounts.

"***Permit***" means, unless otherwise provided in this Agreement, any approval, waiver, exemption, variance, franchise, permit, authorization, license, or similar order of or from any federal, state, county, municipal, or other governmental body, instrumentality, agency, authority, or court having jurisdiction over the matter in question.

"***Permitted Termination***" has the meaning set forth in Section 8.6 of the General Terms and Conditions.

"***Person***" means an individual, corporation, voluntary association, joint stock company, business trust, partnership, limited liability company, municipality (including any municipal electric board, cooperative, power utility, agency, or subdivision), rural electric cooperative, or other entity.

"***Pledgor***" shall have the meaning set forth in Section 7.6(c) of the General Terms and Conditions.

"***PowerTools Platform***®©" shall have the meaning as set forth in Section 2.6 of the Base Agreement.

"***PPA(s)***" shall mean Power Purchase Agreements, each as further described in Exhibit B of this Agreement.

"***PPT***" means the standard time or daylight saving time, as applicable to the Pacific time zone of the United States.

"***Pricing Node***" or "***PNode***" has the meaning given that term in the CAISO Agreements.

"***Proceedings***" has the meaning given that term in Section 16.3 of the General Terms and Conditions.

"***Product(s)***" means Capacity, Energy, and Ancillary Services from the Resources that are scheduled in the CAISO markets under this Agreement (collectively and individually).

"***Project***" shall have the meaning given that term in the Recitals.

"***Prudent Industry Practice***" means, in respect of the performance under this Agreement, the practices, methods, techniques, standards and acts that, at the time of the performance under this Agreement, are then engaged in or approved by a significant portion of the independent power production industry and that, in the exercise of reasonable judgment in light of the facts known at the time of performance, would have reasonably been expected to accomplish the desired results. Prudent Industry Practice is not intended to be limited to the optimum practices, methods, techniques, standards and acts to the exclusion of all others, but rather reflect the range of the practices, methods, techniques, standards and acts then generally accepted in the CAISO market, having due regard for, among other things, contractual obligations, Applicable Laws, Permits, and the Governing Rules.

"***Real-Time***" has the meaning as defined in the CAISO Agreements.

"***Recording***" has the meaning as set forth in Section 16.10 of the General Terms and Conditions.

"***Renewal Term***" has the meaning set forth in Section 6(a) of the Base Agreement.

"***Representatives***" means each Party's respective directors, officers, and employees, including, without limitation, attorneys, accountants, partners, and consultants.

"***Resource***" or "***Resource(s)***" shall have the meaning set forth in the Recitals to this Agreement.

"***Resource Commencement Date***" means the date upon which TPS receives notice that CAISO authorizes TPS to commence representing each of the Resources identified on Exhibit A within CAISO's system.

"***Responsible Party***" has the meaning given that term in Section 8.3 of the General Terms and Conditions.

"***Resource Adequacy Capacity***" or "***RA***" means Resource Adequacy Capacity as further defined in the CAISO Agreements or by the CPUC. Resource Adequacy Capacity may have system, local and/or flexible attributes as determined by the CPUC and CAISO and as specified by SVCE.

"***Scheduling Coordinator***" has the meaning given the term in the CAISO Agreements.

"***SCID***" means, for purposes of this Agreement, the Scheduling Coordinator ID assigned to TPS by CAISO in which the Resources reside.

"***Secured Party***" shall have the meaning set forth in Section 7.6(c) of the General Terms and Conditions.

"***Service Fees***" means, with respect to a Month, the Fixed Monthly Fee.

"***Services***" shall mean, collectively, all Scheduling Coordinator services required under the Governing Rules for the Resources and provided pursuant to this Agreement, including the obligations set forth in Section 2 of the Agreement and Sections 2 and 6 of the General Terms and Conditions, Operational Services pursuant to Section 4 of the Base Agreement, Support Services, and any other services that TPS and SVCE have expressly agreed to under this Agreement.

"***Set Point***" has the meaning given the term in the CAISO Agreements.

"***Set-Up Fee***" has the meaning set forth in Section 5.1 of the Base Agreement.

"***Settlement Process***" has the meaning set forth in Section 7.7 of the General Terms and Conditions.

"***Support Services***" has the meaning set forth in Section 2.8 of the Base Agreement.

"***Support Services Period***" has the meaning set forth in Section 2.8 of the Base Agreement.

"***SVCE***" shall have the meaning set forth in the preamble of the Agreement.

"***SVCE Threshold***" means four million Dollars ($4,000,000); provided, however, that if a Material Adverse Change has occurred and is continuing with respect to SVCE then the SVCE Threshold will be zero ($0).

"***TEH***" shall have the meaning set forth in Section 7.6(a) of the General Terms and Conditions.

"***TEI***" shall have the meaning set forth in Section 7.6(a) of the General Terms and Conditions

"***Tenaska Guarantors***" shall have the meaning set forth in Section 7.6(a) of the General Terms and Conditions

"***Tenaska Guaranty***" shall have the meaning set forth in Section 7.6(a) of the General Terms and Conditions

"***Term***" shall mean the period commencing on the Effective Date through and including the expiration of the Initial Term and any Renewal Term, as applicable, subject in all cases to any early termination of the Agreement as permitted herein and subject to Section 6(c) of the Base Agreement.

"***Termination for Performance***" shall have the meaning set forth in Section 6(d) of the Base Agreement.

"***Third Party***" shall mean any Person other than SVCE or TPS.

"***TPS Customer Portal***" means the internet site designated by TPS which provides access to public and SVCE-specific information and a means to transmit certain information from SVCE to TPS.

"***Transaction***" means a particular transaction relating to the scheduling, delivery, sale, and/or purchase of a Product, as applicable.

"WECC" means the Western Electricity Coordinating Council.

"***Weekly Payment Procedure***" has the meaning given that term in Exhibit D.

"***Weekly Statement***" has the meaning given that term in Exhibit D.

The terms defined above have the meanings set forth above for all purposes, and such meanings are equally applicable to both the singular and plural forms of the terms defined. "Include," "includes" and "including" shall be deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import. Any agreement, instrument, document, rule or law defined or referred to herein means such agreement, instrument, document, rule or law as from time to time amended, modified or supplemented. References to a Person include its successors and permitted assigns. "Hereof," "herein," "hereunder" and comparable terms refer, unless otherwise expressly indicated, to the entire agreement or instrument in which such terms are used and not to any particular Article, Section or other subdivision thereof or attachment thereto. References in an instrument to "Article," "Section" or another subdivision or to an attachment are, unless the context otherwise requires, to an article, section or subdivision of or an attachment to such agreement or instrument. All references to exhibits or appendices in any agreement or instrument that is governed by this Agreement are to exhibits or appendices attached to such instrument or agreement. References to any gender include, unless the context otherwise requires, references to all genders. References to "$" or to "Dollars" or to "Cents" shall mean the lawful currency of the United States of America.

SECTION 2
PERFORMANCE OBLIGATIONS

2.1 Commencement. SVCE and TPS shall use commercially reasonable efforts to complete and submit any and all Documentation and fulfill any other steps required by CAISO, authorizing TPS to act as SVCE's Scheduling Coordinator in order to provide Services for the Resources in accordance with the terms herein and applicable Governing Rules. TPS's obligations to perform Services under this Agreement other than Support Services shall not commence until the Commencement Date.

2.2 TPS as Scheduling Coordinator and Principal.

(a) To the extent necessary to fulfill TPS's obligations as Scheduling Coordinator hereunder for Products to which title is held by SVCE, SVCE authorizes TPS to convey title to such Products on behalf of SVCE. All revenues associated with such Products delivered to CAISO are the property of TPS, and upon TPS receiving revenues from CAISO associated with such Products delivered to or settled with CAISO, TPS shall have an obligation hereunder to pay SVCE all revenues associated with such delivered or settled Products as paid by CAISO to TPS in accordance with Section 7 of the General Terms and Conditions. All such Transactions transacted and settled with CAISO will be memorialized pursuant to the terms of Section 2.6 of the General Terms and Conditions. Notwithstanding the foregoing, all such Products must be capable of being purchased and resold under TPS's market-based rate authority with FERC; in the event TPS is precluded

from selling a particular Product under its market based rate authority, as to that Product, TPS will act as SVCE's representative in arranging for the sale of such Product.

(b) For the avoidance of doubt, TPS, in its role as SVCE's Scheduling Coordinator for the Resources hereunder, shall schedule all of SVCE's Transactions associated with the Resources which require scheduling with CAISO for SVCE subject to and in accordance with this Agreement.

2.3 Standard of Performance. TPS will perform the Services in a timely, good, workmanlike and commercially reasonable manner and in accordance with (i) the Governing Rules and Applicable Law, (ii) Prudent Industry Practice, (iii) instructions from SVCE, and (iv) the terms of this Agreement.

2.4 Exclusivity. For the Resources, subject to the terms and conditions of this Agreement, SVCE grants TPS the exclusive right during the Term to:

(a) act as SVCE's provider of Services such that,

(i) the Resources designated in Exhibit A will be solely represented by TPS as Scheduling Coordinator;

(ii) SVCE will schedule all Products through and with TPS; and

(iii) during the term of this Agreement, SVCE will not schedule Products related Ito the Resources directly with CAISO, or through any other Person except TPS, as long as there is no Force Majeure event or Event of Default that has occurred and is continuing with respect to TPS;

(b) serve as SVCE's representative, limited to the purpose of representing SVCE as the Scheduling Coordinator for the Resources in communications with CAISO, as provided under Section 2 of the Base Agreement; and

(c) schedule the Products per SVCE's instruction described in this Agreement; and

(d) administer the purchase or sale of Products from the Resources into CAISO in accordance with the terms and conditions of this Agreement and the Governing Rules.

2.5 Reserved.

2.6 Reports. To the extent TPS is purchasing or selling Products from or pertaining to the Resources, in order to transact and settle such Products with CAISO pursuant to Section 2.2(a) of these General Terms and Conditions and upon SVCE's request, TPS shall deliver a report to SVCE in a mutually agreed format, containing the provisions of such Transaction(s), including the type of Product and the quantity thereof that TPS has sold or purchased. The Parties agree that TPS's provision of this report will be deemed to be a confirmation of Transactions entered into pursuant to Section 2.2(a) of these General Terms and Conditions.

2.7 Regulatory Reporting. TPS will reasonably assist SVCE in data collection for SVCE's regulatory reporting obligations upon SVCE's request. SVCE will be responsible for required state, federal or regional reports applicable to its licenses and business interests. For clarification, nothing herein shall obligate TPS to prepare or submit any regulatory or

governmental reports for SVCE; *provided, however*, that TPS shall timely provide to SVCE all information in its possession that is reasonably requested by SVCE for SVCE's regulatory or governmental reports. For clarification, TPS will provide SVCE with transaction details in its possession in a format readily usable by SVCE to submit its FERC Electric Quarterly Reports ("EQR").

SECTION 3
OPERATIONAL ISSUES

3.1 Resource Information. To the extent applicable to the Resources, SVCE will provide or cause to be provided to TPS the following information:

(a) all CPUC, CAISO and/or EIM registration and system modeling information required for the provision of Services applicable to the Resources, including but not limited to information relating to the CAISO and/or EIM network model, as soon as reasonably practicable after the Effective Date; and

(b) all relevant parameters, Real-Time data telemetry point map, Delivery Point(s), and Pricing Node(s), each as applicable to each Resource and as may be required by the Governing Rules, along with any other information about the Resources that SVCE reasonably believes would be helpful for TPS to know or that TPS reasonably requests in connection with the Services provided under this Agreement. TPS will provide assistance to SVCE to identify required information.

SVCE will use good faith efforts to, as soon as practicable, provide TPS with any and all applicable additions or changes to the above information required for the provision of Services. TPS may rely on the most recent information SVCE has supplied to TPS. Resources may only be added to or removed from this Agreement through a written amendment of this Agreement executed by the Parties.

3.2 Daily Schedule of Sales Commitments and Products Availability.

(a) If applicable, two hours prior to the deadline specified in the Governing Rules for Day-Ahead Market submissions on each Day, or sooner if practicable, SVCE will provide or cause to be provided to TPS a written schedule (the "***Daily Schedule***") setting forth SVCE's next Day's hourly expected quantity of Products available from the Resources based on anticipated operational requirements and the level of SVCE's participation in the CAISO market. The Daily Schedule will also describe the nature and expected duration of any scheduled or unscheduled limitations of each Resource, or any Resource maintenance requirements, that have not previously been communicated for the Day on which the Daily Schedule is received, or any succeeding Day.

(b) In addition to providing TPS with the Daily Schedule, throughout each operating Day, SVCE must provide or cause to be provided to TPS updates on SVCE's ability to sell Products when and if such information changes materially from that information previously communicated to TPS by SVCE. These updates will be provided via a mutually agreed upon template sent electronically or over the phone or such other means as mutually agreed by the Parties. If updates occur over the phone, SVCE will make commercially reasonable efforts to send the template with the updated information as soon as is practicable, and TPS will make commercially reasonable efforts to submit the schedule.

SECTION 4
INSURANCE

4.1 Insurance Requirements. Prior to commencement of this Agreement, TPS shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. This verification of coverage shall be sent to SVCE.

4.2 Minimum Limits. Without limiting TPS's duty to defend and indemnify, TPS shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

(a) Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, and cross-liability with a combined single limit for Bodily Injury and Property Damage of $1,000,000 per occurrence, and $2,000,000 in the aggregate. Such requirement may be met through any combination of primary and excess policies.

(b) Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of $1,000,000 per occurrence.

(c) Workers' Compensation Insurance, if TPS employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits of $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

4.3 Term of Insurance. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of two (2) years following the date TPS completes its performance of services under this Agreement.

4.4 Additional Insureds. Commercial general liability and automobile liability policies shall include SVCE, its directors, board members, officers, agents, and employees as Additional Insureds with respect to liability arising out of TPS's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by SVCE and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the TPS's insurance.

SECTION 5
EQUIPMENT AND DATA TRANSMISSION

5.1 Data Transmission. The Parties agree that SVCE will send or cause to be sent telemetered data directly to CAISO and communicate required telemetered data from and to the Resources. SVCE shall continually transmit, or cause to be continually transmitted, operational Resource data to TPS on a Real-Time basis as required by the Governing Rules.

5.2 Communication Cost. SVCE shall provide TPS with access to all applicable CAISO communication systems available to SVCE, as necessary for TPS to provide SVCE with

Services described in this Agreement or as may be required by the Governing Rules. SVCE shall reimburse TPS for all additional reasonable Third Party costs or expenses incurred by TPS for equipment or facilities located at SVCE's site and/or directly and solely related to providing communications to the Resources or to adjust for changes in (i) CAISO or NERC communication criteria or standards, or (ii) communication technology implemented by SVCE during the Term to the extent TPS's provision of additional equipment or facilities have been authorized by SVCE, all of which shall be passed through to SVCE as Pass Through Amounts under this Agreement. Prior to incurring any such Third Party costs subject to reimbursement by SVCE, TPS shall provide SVCE with an estimate of and explanation of the need for such costs and obtain SVCE's approval for such costs, which shall not be unreasonably withheld. For such communication costs, TPS will invoice SVCE for such Pass Through Amounts in accordance with Section 7.1 of the General Terms and Conditions, providing SVCE with supporting details from TPS's invoices from Third Party communications providers or vendors. Included in communications costs reimbursable by SVCE are any incremental costs applicable to CAISO WAN costs attributable to SVCE that are supported by cost documentation from CAISO.

SECTION 6
SETTLEMENTS AND PASS THROUGH AMOUNTS

6.1 CAISO Settlements; Pass Through Amounts. TPS will administer all settlement charges and payments with CAISO related to the scheduling of the Products in the CAISO markets and Third Parties, as applicable, and will invoice or credit (as applicable) SVCE in accordance with Section 7.1 of the General Terms and Conditions for such payments TPS made to or received from CAISO, or Third Parties for any Pass Through Amounts and settlement payments related to any other Transactions or Services to SVCE under this Agreement. Subject to the provisions of Section 7 of the General Terms and Conditions, the Parties understand that TPS will not charge or credit SVCE for such settlement charges and payments until TPS has been charged or credited for such payment. In addition, the Parties understand that when CAISO short pays or otherwise fails to pay TPS amounts related to the Resources or other Transactions, then TPS shall not be obligated to pay SVCE such unpaid amounts until TPS has received such unpaid amounts due from CAISO. When paid by CAISO or a Third Party, as applicable, TPS will credit any such payments received to SVCE on the next invoice delivered by TPS to SVCE pursuant to Section 7 of the General Terms and Conditions herein. For the avoidance of doubt, receipt of payments from CAISO by TPS shall include receipt of payment in the form of credit or offset against other payment obligations owed to CAISO (to the extent permitted under the CAISO Agreements). SVCE shall reimburse TPS for all Pass Through Amounts assessed by CAISO or Third Parties to the extent related to or apportionable to any Transactions or Services. SVCE shall pay its proportionate share of all Pass Through Amounts assessed against or credited to TPS by CAISO, a transmission or distribution company, or regulatory authority, as applicable, to SVCE. As used in the previous sentence, the term "proportionate" shall mean that SVCE shall pay all Pass Through Amounts directly allocable to the Resources, Transactions and Services. All Pass Through Amounts and CAISO settlement charges and payments shall be payment obligations of the applicable Party that shall be due and payable as provided in Section 7 of the General Terms and Conditions. These obligations shall survive the termination of this Agreement.

6.2 Allocation Shares. The Parties acknowledge that Central Coast Community Energy ("***3CE***") and Silicon Valley Clean Energy are each entitled to a share of the Product from the Resources set forth in Exhibit A under the heading of ***Shared Resources*** and SVCE is solely entitled to the Product of the Resources set forth in Exhibit A under the heading

of ***SVCE Resources***. In each invoice delivered pursuant to this Agreement, TPS shall (a) allocate the CAISO Settlements, Pass Through Amounts and applicable Service Fees to 3CE and SVCE in accordance with the percentages set forth in Exhibit A for Shared Resources, and (b) assign all CAISO Settlements, Pass Through Amounts and Services Fees to SVCE for SVCE Resources.

6.3 Reconciliation. TPS will reconcile all CAISO statements and Pass Through Amounts related to the Resources and Transactions. When TPS provides SVCE with each invoice, if SVCE disputes the accuracy of an invoice, it shall raise the dispute with reasonable notice to TPS prior to any deadline for contesting such settlement statements established in the Governing Rules, or otherwise SVCE shall be deemed to concur in the invoice's accuracy. In the event SVCE has a question regarding a specific charge noted in any invoice, SVCE may review the specific information related to such charge in the applicable supporting statement; *provided, however,* the exercise of this right shall not extend the then-applicable period in which SVCE must challenge any invoice. If SVCE disputes the accuracy of any invoice relating to Pass Through Amounts, TPS agrees, upon SVCE's election and at SVCE's cost, to reasonably act on SVCE's behalf in disputing Pass Through Amounts with CAISO or, if applicable, a Third Party, acting in accordance with the Governing Rules in pursuing such billing disputes, as applicable; *provided, however*, at any time in the dispute resolution process, TPS may cease such efforts to contest Pass Through Amounts in the event TPS determines in its commercially reasonable judgment that (i) such Pass Through Amounts are correct, (ii) such dispute resolution is unlikely to be successful in adjusting the disputed Pass Through Amounts, or (iii) the cost or effort to continue pursuit of the dispute resolution process is unacceptable to TPS. In such event, TPS will notify SVCE of TPS's decision to abandon pursuit of the dispute resolution process in a reasonable time prior to abandoning the claim, and in the event an assignment of claims is permitted under the Governing Rules, TPS will assign the claim under dispute to SVCE to enable SVCE's independent pursuit of the claim. SVCE will be solely responsible for verifying the accuracy of meter data that is used to calculate CAISO Settlements with CAISO. SVCE and TPS will cooperate to provide any supporting data relating to the dispute in sufficient time for TPS to provide such data to CAISO under applicable Governing Rules. If the dispute resolution data is not submitted on time, or the dispute resolution is adverse to SVCE, SVCE shall pay all Pass Through Amounts based upon the CAISO data. TPS shall not be responsible to SVCE for errors in meter data supplied by CAISO or any other source, if applicable, for use in settlement calculations. The obligations in this Section 6.2 shall survive the expiration or earlier termination of this Agreement.

SECTION 7
BILLING; PAYMENT; CREDIT

7.1 Invoices. All Services hereunder and Transactions hereunder will be accounted for on the basis of the settlement procedures set by the Governing Rules. The accounting period for Services, Transactions, and CAISO settlements will be one (1) Month. TPS's monthly invoices will detail the Services and quantity of Products and imbalance charges scheduled and settled for SVCE under this Agreement during the applicable billing Month together with any adjustments for prior Months' Services, SVCE's Transactions to account for revised settlement billing statements received from Third Parties and from CAISO (and any applicable Pass Through Amounts), which invoice shall contain such detail and substantiating documentation as SVCE may reasonably request. In the event a CAISO statement conflicts with SVCE's or TPS's records, the CAISO statement will govern subject to any dispute SVCE timely raises with TPS for submission to the CAISO regarding such statement; provided however that submission of a dispute will not relieve a Party of its payment obligation until the dispute is resolved and to the extent adjustments are made

to amounts owed. TPS's invoice will show the amount that each Party owes (or is owed) pursuant to this Agreement. Invoices may be based upon estimated quantities, costs, and prices and adjusted by subsequent invoices once actual quantities, costs, and prices become known, pursuant to the Settlement Process.

7.2 Payment Date. A Party owing a Payment to the other Party, as set forth in the monthly invoices, shall make the payment on or before the tenth (10th) day after receipt of the monthly invoice ("***Monthly Due Date***"). In addition to the billing and payment process described in this Section 7, the Weekly Payment procedure set forth in Exhibit D will apply when the Resource is in a TPS SCID.

7.3 Late Payment. Amounts owed, but not paid on or before the Due Date will be payable with interest at the Interest Rate calculated daily from the Due Date until payment is received; *provided, however*, for payments from CAISO or a Governmental Authority, TPS will pass through to SVCE only such interest payments received from CAISO or the Governmental Authority for payments due SVCE.

7.4 Offset. In the event that SVCE and TPS are each required to pay an amount to the other in the same Month pursuant to this Agreement, then such amounts will be aggregated, and the Parties will discharge their obligations to pay through offset. In such an offset, the Party owing the greater aggregate amount will pay to the other Party the net difference between the amounts owed.

7.5 Billing Disputes. In the event SVCE, in good faith, disputes any TPS invoice, SVCE will provide TPS with written notice of the disputed amounts, together with a statement describing the particulars of the dispute, including the calculations with respect to any errors or inaccuracies, and any such amounts (other than Pass Through Amounts) so disputed shall not be required to be paid until resolution of the dispute. TPS agrees to work diligently with SVCE to clarify and/or correct any error or suspected errors on the invoices before the Due Date. Except to the extent that TPS agrees that any Pass Through Amount is not due, the Party owing any amount shall pay all amounts of Pass Through Amounts, assessed pursuant to Section 5.3 of the Base Agreement, even if disputed, set forth in the TPS invoice on or before the Due Date. If it is subsequently determined that SVCE has overpaid or underpaid amounts actually due, the Parties will make any necessary adjustments within ten (10) Days after determination of any overpayment or underpayment. Subject to Section 7.4 of the General Terms and Conditions, the Party in receipt of any overpayments shall refund such overpayments with interest accrued at the Interest Rate from the date payment was received. The obligations under this Section 7.5 will survive the expiration or earlier termination of this Agreement.

7.6 Credit Support.

(a) TPS Credit Support and Limits. SVCE's obligation to utilize and continue TPS's Services under this Agreement is conditioned upon TPS satisfying SVCE's credit policies and requirements. If at any time during the Term SVCE incurs any Credit Exposure to TPS, SVCE may request, and upon receiving such request, TPS shall promptly cause to be delivered to SVCE, a guaranty duly executed by Tenaska Energy Holdings, LLC ("***TEH***") and Tenaska Energy Inc. ("***TEI***" and together with TEH, the "***Tenaska Guarantors***") in the amount of five million Dollars ($5,000,000 USD), in favor of SVCE in a form agreed to by the Parties (the "***Tenaska Guaranty***"), and TPS shall cause the Tenaska Guaranty to remain in full force and effect until TPS no longer has any remaining obligations under this Agreement. If at any time (i) TPS fails to maintain the Tenaska Guaranty in accordance with this Section, (ii) a Material Adverse Change has occurred with respect to the Tenaska

Guarantors, or (iii) the liability limit of the Tenaska Guaranty is less than SVCE's Credit Exposure to TPS, SVCE shall have the right to request additional adequate Credit Support in an amount sufficient to secure SVCE's Credit Exposure to TPS. A failure by TPS to provide such additional adequate Credit Support pursuant to this Section 7.6(a) within three (3) Business Days of receiving a request hereunder will be an Event of Default pursuant to Section 11.1(a) of the General Terms and Conditions.

(b) SVCE Credit Support and Limits. TPS's obligation to provide Services hereunder is conditioned upon SVCE's compliance with TPS's credit policies and requirements. SVCE shall provide TPS with adequate assurance of its creditworthiness prior to the Commencement Date, and shall provide adequate Credit Support throughout the Term to cover TPS's Credit Exposure to SVCE. Upon request, SVCE shall promptly provide quarterly, annual, and other financial data as reasonably requested to enable TPS to monitor SVCE's ongoing creditworthiness. If at any time during the Term, TPS' Credit Exposure to SVCE, less any Credit Support held by TPS, exceeds the SVCE Threshold, then TPS shall have the right to request additional adequate Credit Support in an amount sufficient to secure TPS's Credit Exposure to SVCE above the SVCE Threshold. A failure by SVCE to provide Credit Support pursuant to this Section 7.6(b) within three (3) Business Days of receiving a request hereunder will be an Event of Default pursuant to Section 11.1(a) of the General Terms and Conditions. Unless TPS has received Credit Support to cover its Credit Exposure to SVCE above the SVCE Threshold, TPS shall not be obligated to perform or receive, as the case may be, any Services or Transactions under this Agreement and may suspend performance until adequate Credit Support is provided.

(c) Grant of Security Interest/Remedies. To secure its obligations under this Agreement and to the extent either or both Parties deliver Credit Support hereunder, each Party (a "***Pledgor***") hereby grants to the other Party (the "***Secured Party***") a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, such Secured Party, and each Party agrees to take such action as the other Party reasonably requires in order to perfect the Secured Party's first-priority security interest in, and lien on (and right of setoff against) such collateral and any and all proceeds resulting therefrom or from the liquidation thereof. Upon TPS's receipt of settlement payments from CAISO, the settlement payments shall be deemed Credit Support posted by SVCE until disbursed to SVCE by TPS under Section 7.2 of the General Terms and Conditions. Upon or any time after the occurrence or deemed occurrence and during the continuation of an Event of Default, the Non-Defaulting Party may do any one or more of the following: (i) exercise any of the rights and remedies of a Secured Party with respect to all Credit Support including any such rights and remedies under law then in effect; (ii) exercise its rights of setoff against any and all property of the Defaulting Party in the possession of the Non-Defaulting Party or its agent; (iii) draw on any outstanding letter of credit issued for its benefit; and (iv) liquidate all Credit Support then held by or for the benefit of the Secured Party free from any claim or right of any nature whatsoever of the Defaulting Party including any equity or right of purchase redemption by the Defaulting Party. The Secured Party shall apply the proceeds of the Credit Support realized upon the exercise of any such rights or remedies to reduce the Pledgor's obligations under this Agreement (the Pledgor remaining liable for any amounts owing to the Secured Party after such application), subject to the Secured Party's

obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

7.7 True-Up/Credit Provisions. The Parties understand and agree that CAISO issues, revises, and restates its settlement statements in accordance with the Governing Rules (the "***Settlement Process***"). To accommodate the Settlement Process, the Parties agree that either Party may raise a dispute with CAISO with respect to any statement or payment after other applicable deadlines for disputing such statement or payment have passed so long as such dispute is raised no later than ten (10) Days following the date of the relevant CAISO settlement statement. In each Month's invoice to SVCE, TPS will include any revisions or corrections to prior Months' invoices arising from CAISO's Settlement Process. CAISO's Settlement Process could result in SVCE owing additional payments to TPS or being owed payments by TPS. Upon receipt of each invoice and not later than the Due Date, SVCE shall pay TPS any amounts owed, and TPS shall pay SVCE any amounts owed, which arise from CAISO's Settlement Process. No invoice rendered by TPS to SVCE under this Agreement shall be final until and unless CAISO has determined that no further restatement or resettlement of such Month shall occur and TPS has transmitted an invoice to SVCE for that Month reflecting any and all CAISO settlement statements applicable to that Month.

(a) Security After Termination. Upon termination of the Agreement, TPS will make a good faith estimate of any amounts by which CAISO may adjust prior settlement statements during the Settlement Process for Months of Service under this Agreement and will advise SVCE of such estimated amounts. The Party owed the greater aggregate amount, provided that such amount exceeds fifty thousand Dollars ($50,000), may demand reasonable security of performance, the Party estimated to owe the greater aggregate amount shall provide such Credit Support acceptable to the requesting Party in its reasonable discretion. TPS will continue to transmit settlement invoices to SVCE, as described herein. Upon receipt of each invoice and not later than the Weekly Due Date, SVCE shall pay TPS any amounts owed, and TPS shall pay SVCE any amounts owed, which arise from CAISO's Settlement Process. Section 7.7 and 7.7(a) shall survive termination of the Agreement until the Settlement Process for months of Service under the Agreement is complete, invoices have been issued to SVCE, and payments between the Parties have been resolved.

(b) Statements received after termination of this Agreement. After the expiration or earlier termination of this Agreement, if TPS receives any statements from CAISO or Third Parties, whether adjustments or revisions, attributable to any Pass Through Amounts under this Agreement, TPS will invoice or pay SVCE accordingly. TPS will continue to send monthly invoices to SVCE reflecting any revisions, corrections, or adjustments to prior months' statements from CAISO until TPS has transmitted invoices which reflect corrections for any month made by CAISO, applicable to SVCE for such month. For each invoice provided to SVCE after the expiration or earlier termination of the Agreement, SVCE shall pay TPS any amounts owed, and TPS shall pay SVCE any amounts owed, as the case may be, by the Due Date. This Section 7.7(b) shall survive the expiration or earlier termination of this Agreement until accounting and billing for Pass Through Amounts and Services for all months of Service under this Agreement are complete, invoices have been issued to SVCE, and payments between the Parties have been resolved.

7.8 Maintenance of Records; Audit.

(a) TPS and SVCE shall each maintain in accordance with Prudent Industry Practice complete, accurate and up-to-date supporting records that are pertinent to the Services and payment obligations hereunder, including all Pass Through Amounts. TPS shall ensure that such supporting books and records are distinguishable from TPS's other Scheduling Coordinator activities. The Parties shall each retain such books and records for a minimum of four (4) years after the Term, or if longer, the relevant period required by Applicable Law or Governing Rules.

(b) Each Party has the right, at its sole expense and during Business Hours and upon reasonable written notice to the other Party, to examine the records of the other Party as necessary to verify the accuracy of any invoice, charge, or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any invoice, the necessary adjustments in such invoice and the payments thereof will be promptly made together with interest at the Interest Rate, if applicable, from the original date of payment; provided that no adjustment for any invoice or payment will be made unless objection to its accuracy thereof was made prior to the lapse of two (2) years from the date that the disputed invoice was delivered; and, provided further, no adjustment will be made to invoices or summaries related to CAISO settlement statements that CAISO has deemed final under the Governing Rules. Notwithstanding anything in this Agreement to the contrary, adjustments to any invoice may be made up to four (4) years from the date that the particular Transactions were completed to adjust for (i) corrections made by CAISO to prior CAISO statements. This paragraph of this Agreement survives the expiration or earlier termination of this Agreement for a period of four (4) years from the date of such expiration or earlier termination of this Agreement for the purpose of the right to examine records and such invoice and payment objections and corrections.

SECTION 8
GOVERNING RULES

8.1 Governing Rules. Both Parties agree to abide by all Applicable Laws and the Governing Rules. For purposes of determining responsibility and rights of the Parties at any given time, in addition to the terms and conditions of this Agreement, the Applicable Laws and Governing Rules which are in effect at the time of performance or non-performance of an action, subject to the continuation of any grandfathered provisions, will govern with respect to that action. In the event of a direct and irreconcilable conflict between Applicable Laws and the Governing Rules and the terms and conditions set forth in this Agreement, the Applicable Laws and Governing Rules will prevail.

8.2 Compliance Support. TPS shall use commercially reasonable efforts to assist SVCE in any audit of the Resources conducted or initiated by a regional reliability coordinator or NERC, including preparation of responses to NERC or regional reliability coordinator data requests related to NERC standards for which TPS has information useful to SVCE for the demonstration of compliance. In addition to the foregoing, if the regional reliability coordinator requests a NERC audit for a time period during which TPS served as SVCE's Scheduling Coordinator, then upon SVCE's request, with respect to such audits that call for production of records of Scheduling Coordinator-related communications with CAISO, TPS shall support SVCE with relevant information and assistance including assisting SVCE in responding to a NERC audit by providing SVCE with TPS's pertinent documentation of TPS's communications with CAISO or the applicable Resource. Nothing contained in this Agreement shall be construed to make TPS a "generation owner," "generation operator," or any similar entity, or to make TPS subject to any classification under applicable NERC rules as a result of TPS's execution of this Agreement or TPS's

performance of the Services or otherwise, and SVCE shall not register TPS or require TPS to register with NERC as a "generation owner" or "generation operator" with respect to the Resources.

8.3 Compliance with Laws. TPS and SVCE will at all times comply with all Applicable Laws and the Governing Rules. In the event that actions or omissions of one Party ("***Responsible Party***") cause the other Party ("***Affected Party***") to (a) be materially non-compliant with the Governing Rules or Applicable Laws affecting Scheduling Coordinators or the Resources, or (b) have assessed or brought against it any fines, penalties, reprimands, censures, sanctions, assessments, or other material adverse actions by CAISO, market monitor, or any other Governmental Authority ("***Assessments***") (which, for the avoidance of doubt, will not include ordinary course settlement charges or penalties, such as imbalance penalties or charges, mismatched schedule charges, uninstructed deviation charges, or late fees), then, in addition to any other rights or remedies under this Agreement (including, without limitation, the right, if any, to indemnification against such Assessments), the Affected Party may exercise any or all of the following:

(i) give written notice to the Responsible Party setting forth the circumstances of non-compliance and, if practicable, demand that the Responsible Party cure such non-compliance; and

(ii) demand that the Responsible Party use commercially reasonable efforts to cooperate in the Affected Party's defense against such allegation or Assessment (provided the foregoing will not require the Affected Party to incur material expenses unless reimbursed by the Responsible Party nor take any position in any regulatory proceeding contrary to its interests or policies).

The Responsible Party will reimburse the Affected Party for any Assessments paid by the Affected Party; provided, however, that any payment required shall remain subject to the limitation of liability in Section 10.2 of the General Terms and Conditions.

8.4 TPS Affiliates. Notwithstanding any provision of this Agreement to the contrary, TPS shall in all cases remain obligated for the performance of the Services and its obligations under this Agreement regardless of whether such Services or obligations are performed by its Affiliates.

8.5 Operation of SVCE's Resources. Notwithstanding anything in this Agreement to the contrary, SVCE retains and shall retain ultimate decision-making authority and control with respect to the Resources relating to the operation, maintenance and dispatch of the Resources and the sale of Products from or pertaining to the Resources. Accordingly, all control over and with respect to the dispatch, maintenance and operation of the Resources, the undertaking of any particular arrangement or Transaction, the ultimate decision-making authority hereunder, and the execution of any Transaction shall reside exclusively with SVCE. TPS shall have no dispatch control over the Resources during any period of the Term, whether in practice as a result of the performance or undertaking of the Services, or otherwise pursuant to the terms of this Agreement. SVCE's operation, maintenance and dispatch of the Resources, shall be in accordance with Prudent Industry Practice and the Governing Rules, and comply with all applicable Permits.

8.6 Change in Laws or Regulations. In the event a change in Applicable Laws or the Governing Rules (a) materially impairs a Party's ability to perform under this Agreement, or (b) in the case of TPS, authorizes the CPUC to assert any new or additional jurisdiction over Scheduling Coordinators, the adversely affected Party may notify the other Party of

the adverse effect and propose amendments to this Agreement to address the adverse effect of the change in Applicable Laws or Governing Rules. The Parties shall negotiate in good faith to amend this Agreement to restore the Parties to the relative benefits and obligations contemplated under this Agreement prior to the change in Applicable Laws or Governing Rules. If the Parties have not reached agreement on an amendment by the thirtieth (30th) Day after the effectiveness of the notice sent by the affected Party, then the affected Party may, upon written notice to the other Party, terminate this Agreement by designating a termination date that is no earlier than ninety (90) Days after the date of such written notice ("***Permitted Termination***"). Neither Party shall owe damages to the other Party in the event of a Permitted Termination; *provided*, that neither Party shall be relieved of any payment obligations accruing under this Agreement prior to the date of such termination or that by their nature survive such termination. Upon a Permitted Termination, TPS will reasonably cooperate with SVCE to transition the Resources and the Scheduling Coordinator Services to a replacement Scheduling Coordinator in accordance with Section 6(b) of the Base Agreement.

SECTION 9
TAXES

9.1 Taxes. The seller or distributor of a Product will pay or cause to be paid all taxes imposed by any Governmental Authority on, or with respect to, a Product or a Transaction arising prior to the Delivery Point, and the buyer of a Product shall pay, or cause to be paid, all taxes imposed by any Governmental Authority on, or with respect to, a Product or a Transaction arising at or after the Delivery Point. In no event shall SVCE have any liability for taxes owed by TPS for performance under this Agreement.

Each Party must provide a state sales tax exemption form and a federal W-9 form to the other Party upon request. The Party failing to provide a sales tax exemption form will be liable for any state sales tax assessments on Transactions.

Each Party agrees to cooperate with the other Party in the event a state, municipality, or other relevant Governmental Authority ever audits or challenges a Party's compliance with the rules and regulations governing the payment of taxes related to a Product or Transaction under this Agreement. Furthermore, each Party agrees to indemnify the other Party for any taxes, penalties, late fees, or other charges a Party is required to pay a taxing authority for uncollected and owed taxes which were the responsibility of the other Party under this Agreement, or which arose due to (i) a Party's failure to provide appropriate exemption certification or (ii) a Party's misrepresentation of any tax status. This provision shall survive the expiration or earlier termination of this Agreement and shall stay in full force and effect for five (5) years following the expiration or earlier termination of this Agreement.

SECTION 10
INDEMNITIES, LIABILITIES AND WARRANTY DISCLAIMER

10.1 INDEMNITIES. SUBJECT TO THE LIABILITY LIMITATIONS SET FORTH IN SECTION 10.2 BELOW, EACH PARTY UNDERSTANDS AND AGREES THAT IT SHALL DEFEND, RELEASE, INDEMNIFY, AND HOLD THE OTHER PARTY (INCLUDING SUCH PARTY'S OWNERS, AFFILIATES, AND REPRESENTATIVES) HARMLESS FROM (I) ALL THIRD PARTY LIABILITIES, COSTS, CLAIMS, LOSSES, OR CAUSES OF ACTION ARISING FROM PERSONAL INJURY, PROPERTY LOSS, PROPERTY DAMAGE, OR DEATH, HOWEVER CAUSED, AND RELATED TO ANY EVENT, CIRCUMSTANCE, ACT OR INCIDENT FIRST OCCURRING OR EXISTING DURING THE PERIOD OF TIME WHEN CONTROL AND TITLE TO ANY PRODUCT IS VESTED IN SUCH INDEMNIFYING

PARTY, OR (II) ANY OTHER THIRD PARTY LIABILITIES, COSTS, CLAIMS, LOSSES, OR CAUSES OF ACTION TO THE EXTENT CAUSED BY SUCH INDEMNIFYING PARTY'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

10.2 LIMITATION OF LIABILITY. EXCEPT FOR INDEMNITIES PROVIDED IN SECTION 10.1 HEREOF, THE LIABILITY OF EACH PARTY TO THE OTHER PARTY FOR ANY CLAIM OR CAUSE OF ACTION RELATED TO THIS AGREEMENT SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES ONLY AND ALL OTHER DAMAGES ARE WAIVED. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY CONSEQUENTIAL, INDIRECT, PUNITIVE, LOST PROFIT, LOST OPPORTUNITY, BUSINESS INTERRUPTION, OR EXEMPLARY DAMAGES FOR ANY CLAIM OR CAUSE OF ACTION RELATED TO THIS AGREEMENT, WHETHER ARISING FROM BREACH OF CONTRACT OR WARRANTY, INDEMNITY, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), STATUTE, OR OTHERWISE. MOREOVER, NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, EXCLUDING ANY LIABILITY FOR PAYMENTS OR CREDITS DUE TO SVCE UNDER THE BASE AGREEMENT, UNLESS THE CLAIMS OR OBLIGATIONS ARE CAUSED BY TPS'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE, FOR ANY THREE (3) MONTH PERIOD OF SERVICES, THE LIABILITY OF TPS TO SVCE FOR ANY OBLIGATIONS OR CLAIMS UNDER THIS AGREEMENT (INCLUDING INDEMNITIES) SHALL BE LIMITED TO A MAXIMUM OF THE SERVICE FEES RECEIVED BY TPS FROM SVCE (I) WITH RESPECT TO THE THREE (3) MONTHS OF THE TERM, FOR THE MONTHS PRECEDING THE MONTH IN WHICH THE EVENT GIVING RISE TO THE CLAIM OCCURRED, AND THEREAFTER (II) FOR THE THREE (3) MONTHS IMMEDIATELY PRECEDING THE MONTH IN WHICH THE EVENT GIVING RISE TO THE CLAIM OCCURRED (THE "***DAMAGES CAP***"); *PROVIDED, HOWEVER*, ONCE ANY PORTION OF THE DAMAGES CAP HAS BEEN PAID OUT BY TPS IN SATISFACTION OF A CLAIM, SUCH PORTION THAT HAS BEEN PAID OUT SHALL BE DEDUCTED FROM THE DAMAGES CAP OTHERWISE AVAILABLE TO SATISFY ANY SUBSEQUENT CLAIM(S) ARISING DURING SUCH PERIOD. FOR THE AVOIDANCE OF DOUBT, OTHER THAN WITH RESPECT TO TPS'S PAYMENT OBLIGATIONS EXPRESSLY EXCLUDED FROM THE LIMITATION OF LIABILITY ABOVE, TPS WILL NOT BE OBLIGATED TO PAY OUT IN THE AGGREGATE FOR CLAIMS IN ANY CONSECUTIVE THREE (3) MONTH PERIOD MORE THAN THE SERVICE FEES TPS HAS RECEIVED FROM SVCE FOR SUCH THREE (3) MONTH PERIOD.

10.3 WARRANTY DISCLAIMER. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, THE SERVICES ARE PROVIDED ON AN "AS IS" BASIS, AND SVCE'S USE OF THE SERVICES IS AT ITS OWN RISK. TPS DOES NOT MAKE, AND HEREBY DISCLAIMS, ANY AND ALL OTHER EXPRESS OR IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. TPS DOES NOT WARRANT THAT THE SERVICES WILL BE UNINTERRUPTED, ERROR-FREE, OR COMPLETELY SECURE, OR THAT THE PROVISION OF SERVICES WILL ALWAYS BE EXECUTED WITHOUT HUMAN ERRORS OR OMISSIONS.

10.4 ADDITIONAL INDEMNITIES. AN INDEMNIFYING PARTY'S INDEMNITY OBLIGATIONS, AND ANY WAIVERS AND RELEASES OF CLAIMS IN THIS AGREEMENT WILL EXTEND TO THE INDEMNIFIED PARTY, ITS AFFILIATED COMPANIES, INCLUDING ANY ENTITY CONTROLLING, UNDER THE CONTROL OF, OR UNDER COMMON CONTROL WITH SUCH PARTY, AND TO THE RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, OWNERS, SHAREHOLDERS AND INSURERS OF EACH THEREOF.

10.5 Survival. The provisions of this Section 10 shall survive the expiration or earlier termination of this Agreement.

SECTION 11
DEFAULTS AND REMEDIES

11.1 Events of Default. A Party will be in default under this Agreement upon the occurrence of any one or more of the following events (each an "***Event of Default***"):

(a) the failure by a Party to make a timely payment of any amounts due or provide required Credit Support to the other Party under this Agreement;

(b) the failure by a Party to perform its material obligations under this Agreement which failure is not excused by the terms of this Agreement;

(c) the breach of any representation or warranty of such Party that results in a material adverse impact on the other Party;

(d) the appointment (voluntary or involuntary) of a receiver or liquidator or trustee of such Party or of any of the property of such Party by order of a court of competent jurisdiction;

(e) the filing of a petition or consent seeking relief or assisting in seeking relief in a proceeding under any of the provisions of federal or state bankruptcy or insolvency laws, as any such laws now exist or as those laws may be amended, or the filing of an answer admitting the material allegations of a petition filed against it in such proceeding; the general assignment by a Party for the benefit of its creditors; or the admission by a Party in writing of its inability to pay its debts generally as they become due; and/or

(f) the commission of a fraudulent act or omission by a Party in the performance of its obligations hereunder.

11.2 Rights of Non-Defaulting Party. If an Event of Default shall have occurred and be continuing with respect to a Party (the "***Defaulting Party***"), the Party not subject to an Event of Default (the "***Non-Defaulting Party***") shall have the right to take any one or more of the following actions:

(a) upon the occurrence of an Event of Default as specified in Sections 11.1(a), 11.1(b), 11.1(d), 11.1(e), or 11.1(f), to suspend performance immediately and without notice;

(b) upon the occurrence of an Event of Default as specified in Section 11.1(c), upon three (3) Business Days' notice, to suspend performance of any obligation which, if performance continued, would expose the Non-Defaulting Party to material risks or material unrecovered costs;

(c) upon the occurrence of an Event of Default as specified under Sections 11.1(a), 11.1(b), or 11.1(f), to terminate this Agreement by giving the Defaulting Party written notice setting forth a description of the Event of Default and designating a termination date, provided that the Defaulting Party shall have three (3) Business Days after the date of such notice in which to cure the Event of Default;

(d) upon the occurrence of an Event of Default as specified under Section 11.1(c), to terminate this Agreement by giving the Defaulting Party written notice setting forth a description of the Event of Default and designating a termination date, provided that the Defaulting Party shall have fifteen (15) Days after the date of such notice in which to cure the Event of Default;

(e) upon the occurrence of an Event of Default as specified in Sections 11.1(d), or 11.1(e), to terminate this Agreement immediately and without notice;

(f) to pursue collection of direct, actual damages and seek any other remedy at law or in equity (except to the extent limited by, or waived under, this Agreement);

(g) to pursue collection of reasonable attorney's fees and costs if any action is brought to enforce any term or provision of this Agreement or collect amounts due (whether at the trial court level or any appeal there from); and/or

(h) to pursue any other remedy provided under this Agreement.

11.3 Acceleration of Amounts Due. If a termination of this Agreement occurs pursuant to this Section 11, the Non-Defaulting Party may accelerate all amounts owing between the Parties, offset amounts owed by the Defaulting Party against amounts due the Defaulting Party and against any Credit Support held between the Parties, and liquidate and terminate all Services, Transactions and/or scheduled quantities of Products where commercially reasonable to do so. To the extent applicable, where scheduled Transactions or scheduled quantities cannot be liquidated or terminated in a commercially reasonable manner, then this Agreement will continue in force as to those scheduled Transactions and scheduled quantities for the duration of the contractual commitment to Third Parties.

SECTION 12
NOTICES

12.1 Notices. Unless otherwise provided in this Agreement, any notices given under this Agreement must be in writing and personally delivered or sent by mail or email to such Persons or locations designated on Exhibit B and shall be deemed given and effective when delivered by hand or upon:

(a) three (3) Business Days after such notice is deposited in the United States mail with postage prepaid for transmittal by registered or certified mail, return receipt requested;

(b) one (1) Business Day after such notice is placed in the hands of a recognized commercial mail or courier service for overnight delivery; or

(c) the Business Day on the date such notice was sent by email with confirmation of receipt of such email by confirmed email transmission, *provided* that such receipt occurred during Business Hours of such Business Day. For email transmissions received after such Business Hours of such Business Day at the receiving location, notice shall be deemed effective upon the opening of Business Hours of the next Business Day.

SECTION 13
FORCE MAJEURE

13.1 Force Majeure. Subject to Section 13.2 of the General Terms and Conditions, neither Party will be considered to be in default in the performance of any obligations under this Agreement (other than the obligation to make a payment of amounts owed) to the extent and for the duration that such failure of performance results from Force Majeure. The term "***Force Majeure***" means causes that are beyond the reasonable control of the Party affected which, by exercise of due diligence, such Party could not reasonably have been expected to avoid and which, by exercise of due diligence, it has been unable to overcome and not the result of the fault or negligence of such Party including, but not limited to: flood, earthquake, tornado, hurricane, storm, or fire; acts of terrorism; civil disobedience, strikes, or other labor dispute; labor or material shortage; sabotage; pandemic, epidemic or other public health emergency; restraint, order, rule, or regulation of any court, governmental body, or public authority, including CAISO (whether valid or invalid).

13.2 Due Diligence. No Party, however, shall be relieved of liability for failure of performance hereunder based on Force Majeure if such failure is due to causes arising out of its own negligence or due to removable or remediable causes which it fails to remove or remedy within a reasonable time period. A Party claiming Force Majeure must exercise due diligence to overcome the Force Majeure event. Either Party rendered unable to fulfill any of its obligations under this Agreement by reason of Force Majeure shall give prompt written notice of such fact to the other Party and shall exercise due diligence to remove such inability with all reasonable dispatch.

13.3 Obligations During Force Majeure. Notwithstanding any other provisions as stated in Section 13, an event of Force Majeure does not relieve a Party of any of its obligations under the Governing Rules and this Agreement that the Party can reasonably perform during a Force Majeure event, and does not excuse a Party of its obligations to make payments for obligations arising prior to the Force Majeure event, or of any payment obligations for its non-performance arising pursuant to the Governing Rules and this Agreement.

SECTION 14
CONFIDENTIALITY

14.1 Confidentiality.

(a) Subject to the remaining provisions of this Section 14.1, each Party agrees, for itself, its Affiliates, and its Representatives, to keep confidential this Agreement, all negotiations concerning this Agreement, and all other information furnished by either Party related to schedules, Services, credit and financial obligations, and Transactions under this Agreement ("***Confidential Information***"); provided, however, such confidentiality obligation will expire three (3) years immediately following the expiration or earlier termination of this Agreement.

(b) The receiving Party, its Affiliates, and its Representatives shall not disclose any Confidential Information to any Third Party without the prior written consent of the disclosing Party unless requested or required by a Governmental Authority or self-regulatory organization or as permitted in accordance hereof, except that a Party may disclose Confidential Information to any Affiliate, Representative, current or future financing sources, insurer, auditor, or potential purchaser of or investor in a Party and its parent or Affiliates (and its and their Representatives who need to

know such information) who agree to keep such Confidential Information confidential on terms no less restrictive, as a whole, than those set forth in this Section 14.1, without such prior written consent. Except with regard to disclosures permitted by this Section 14.1, the disclosing Party shall require such Third Party to agree in writing to treat the Confidential Information in accordance with this Agreement. Each Party shall be responsible for the compliance by its Affiliates and Representatives with this Section 14.1 of the General Terms and Conditions.

(c) In the event any Party is requested or required to disclose such Confidential Information pursuant to Applicable Law including, but not limited to a request for disclosure under the California Public Records Act (California Government Code Section 6250, et seq.) or by a court, agency, or other governing body having or purporting to have jurisdiction over the Party, to the extent permitted by Applicable Law, such Party must notify the other Party prior to any disclosure so as to allow the other Party to seek appropriate protection from disclosure.

(d) The Parties agree that disclosure of Confidential Information in breach of the confidentiality provisions of this Agreement constitutes an irreparable injury and that injunctive relief is an appropriate remedy to prevent the unwarranted disclosure of any Confidential Information.

(e) The confidentiality provisions of this Agreement will not apply to any Confidential Information (i) the receiving Party developed independently without using the Confidential Information, (ii) that was in the public domain at the time of its disclosure hereunder, (iii) which passes into the public domain by acts other than the acts of or caused by the Party receiving said Confidential Information, or (iv) is disclosed to the receiving Party by a Third Party, provided that the receiving Party does not know (or has no reasonable basis to know) that the information was received or disclosed unlawfully.

SECTION 15
REPRESENTATIONS AND WARRANTIES

15.1 Mutual Representations and Warranties. Each Party represents and warrants to the other Party at all times during the Term that:

(a) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction under which it is organized and is authorized to do business in the State of California;

(b) it has the full power and authority to enter into this Agreement and perform all of its specified obligations, representations, warranties, and covenants under this Agreement;

(c) it is not bankrupt, does not contemplate becoming bankrupt nor, to its knowledge, will become bankrupt;

(d) (i) the execution, delivery, and performance of this Agreement have been duly authorized by all requisite action of its governing body and does not and will not conflict with any provision of its organizational documents, any Applicable Law or any material agreement or instrument to which it is a party or by which it or a material portion of its property or assets may be bound or effected, and (ii) the Person signing this Agreement on its behalf was duly authorized to execute and deliver this Agreement on its behalf;

(e) it has obtained, or will obtain prior to the Commencement Date, all required licenses, registrations, certifications, Permits, and other authorizations; and has taken, or will take prior to the Commencement Date, all actions required by Applicable Laws, the Governing Rules or governmental regulations with the exception of licenses, registrations, certifications, Permits, or other authorizations that do not materially affect its performance under this Agreement;

(f) it is not in violation of any contracts, laws, ordinances, or governmental rules, regulations, or orders of any Governmental Authority or arbitration board materially affecting performance of this Agreement and to which it is subject;

(g) it is solely responsible for keeping itself informed of and understanding its respective responsibilities under the Governing Rules and any laws, rules, regulations, and tariffs approved by any Governmental Authority with jurisdiction over the matters specified in this Agreement; and

(h) it is not registered as a commodity trading advisor under the U.S. Commodity Exchange Act and is not holding itself out as in the business of advising others as to the value or advisability of trading swaps, options, futures or cash settled forwards or any other commodity transaction. Any oral or written communications by TPS with respect to this Agreement are not intended to be commodity trading advice.

15.2 Additional SVCE Representations and Warranties. SVCE represents and warrants that SVCE will work in good faith with TPS to make, prior to the Commencement Date, all required registrations with, and receive all required certifications and approvals from, the CPUC and all required registrations with, and receive any necessary qualifications from, CAISO to perform this Agreement.

15.3 Additional TPS Representations and Warranties. TPS represents and warrants that (i) TPS is certified as a Scheduling Coordinator with CAISO and, prior to the Commencement Date and during the Term, will be authorized by CAISO to represent the Resources, communicate, schedule, and settle Transactions with CAISO and (ii) TPS has made or will make prior to the Commencement Date all other required registrations with, and received all other required certifications and approvals from, the CPUC, and has made all other required registrations with, and received any other necessary qualifications from, CAISO to perform under this Agreement.

SECTION 16
MISCELLANEOUS

16.1 Disclaimer. This Agreement does not constitute, create, give effect to, or otherwise recognize or imply the existence of a joint venture, pooling arrangement association, partnership, or other formal or informal business organization of any kind among the Parties, and the rights and obligations of the Parties with respect to this Agreement shall be limited to those set forth in this Agreement.

16.2 Assignment. Neither Party will assign this Agreement or its performance or rights arising under or related to this Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld, conditioned or delayed; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), (i) transfer or assign this Agreement to any Person or entity succeeding to all or substantially all of the assets of such Party that has a credit rating of

BBB- or better from Standard & Poor's Financial Services, LLC (a subsidiary of S&P Global Inc.) or a Credit Rating of Baa3 or better from Moody's Investors Services, Inc., if any, or (ii) to a Person who succeeds to the interests of the assigning Party by merger, consolidation, or operation of law; provided, in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request and, in the case of TPS, the assignee possesses all licenses and expertise (including Scheduling Coordinator status) necessary to perform all obligations of TPS under this Agreement. Any purported assignment in contraventions of this Section will be null and void and the non-assigning Party is not obligated to recognize the purported assignment of this Agreement. This Agreement will be binding on, and inure to the benefit of any permitted, assigned, or successor of the assigning Party.

16.3 Governing Law; Jury Trial Waiver; Expenses. This Agreement and all matter and claims arising under or relating to this Agreement is governed by and construed in accordance with the laws of the State of California without regard to conflicts of laws principles. With respect to any suit, action or proceedings relating to this Agreement ("***Proceedings***"), each Party irrevocably submits to the exclusive jurisdiction of the courts of the State of California and the United States District Courts located therein, and waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, CLAIM OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY CREDIT SUPPORT DOCUMENT. EACH PARTY ACKNOWLEDGES THAT IT AND THE OTHER PARTY HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. IF EITHER PARTY BRINGS ANY LEGAL ACTION TO ENFORCE ITS RIGHTS UNDER THIS AGREEMENT OR SEEKS ENFORCEMENT UNDER THE TERMS OF ANY CREDIT SUPPORT PROVIDED BY THE OTHER PARTY, THE PREVAILING PARTY SHALL BE ENTITLED TO REIMBURSEMENT FROM THE OTHER PARTY OF REASONABLE ATTORNEYS' FEES AND LITIGATION COSTS AND EXPENSES, INCLUDING WITNESS FEES OF ANY KIND, IN AN AMOUNT TO BE DETERMINED BY THE APPLICABLE COURT OR BY AGREEMENT OF THE PARTIES.

16.4 Counterparts. This Agreement may be executed in multiple counterparts, including PDF documents exchanged by electronic mail, each one of which will be considered an original Agreement, but all of which together will constitute one and the same instrument.

16.5 Waiver. No waiver by any Party, either express or implied, of any one or more defaults by the other in the performance of any provisions of this Agreement will operate or be construed as a waiver of any other default or defaults, whether of a like or a different character. The rights and remedies of the Parties are cumulative and not alternative. Neither any failure nor any delay by any Party in exercising any right, power or privilege hereunder will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. Failure by a Party to enforce any of the terms, covenants, conditions or other provisions of this Agreement at any time will not in any way affect, limit, modify or waive that Party's right thereafter to enforce strict compliance with every term, covenant or condition of this Agreement, notwithstanding any course of dealing or custom of the trade.

16.6 Entire Agreement; Amendment. This Agreement contains the entire understanding and agreement between the Parties with respect to the subject matter of this Agreement and supersedes all previous communications, negotiations and agreements, whether oral or written, between the Parties with respect to such subject matter. No alteration of or amendment to this Agreement will be effective unless in writing and signed by an authorized representative of each Party.

16.7 Severability. Any provision, article, or section declared or rendered unlawful by a court of law or regulatory agency with jurisdiction over the Parties, or deemed unlawful because of a statutory change, will not otherwise affect the other lawful obligations that arise under this Agreement. In the event any provision of this Agreement is declared invalid, the Parties will promptly negotiate to restore this Agreement as near as possible to its original intent.

16.8 Headings. The section headings of this Agreement are for convenience of reference only, and do not form a part of this Agreement, and do not in any manner modify, interpret, or construe the intent or agreement of the Parties.

16.9 Exclusion of Third Party Rights. The provisions of this Agreement will not impart rights enforceable by any Person or entity not a Party or bound as a Party hereto unless such Person or entity is a permitted successor or assignee of a Party bound by this Agreement, and the Parties do not intend to create any Third Party beneficiary under this Agreement, except to the extent (i) security interests in this Agreement have been granted to a Party's lenders, and (ii) certain rights to raise contractual rights and/or defenses under this Agreement have been extended to a Party's guarantor under any guaranty provided as Credit Support hereunder.

16.10 Recordings. Each Party consents to the recording and retention of any telephone conversations, e-mail or electronic message between the Parties ("***Recording***"), and each Party will obtain any required consents to such Recordings from such Party's affected personnel, contractors, or agents. Subject to other applicable rules of evidence, such as the rule of relevance, the contents of such Recording transmitted between the Parties concerning this Agreement, may be utilized to determine the intent of the Parties in any dispute arising under this Agreement, and such Recording will be deemed a written business record of any information, confirmation, consent, bid, authorization, instruction, notice, or Transaction under this Agreement, which may be submitted in evidence in any proceeding or action related to this Agreement. Each Party waives objection to the admission in court of such Recording based on the "Best Evidence Rule" or other legal principles. Such Recording will be the controlling evidence of the Parties' agreement with respect to any particular information, confirmation, consent, notice, or Transaction in the event a written confirmation of that information, confirmation, consent, notice, or Transaction is not fully executed or accepted by both Parties. A written confirmation executed by both Parties will prevail over a Recording of a Transaction. Each Party waives any further notice of monitoring or recording and agrees to notify its officers and employees and obtain any required consent to any such monitoring or recording.

16.11 No Recourse to Members of SVCE. SVCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement 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. Seller shall have no rights and shall not make any claims, take any actions or assert any remedies against any

of SVCE's constituent members, or the employees, directors, officers, consultants or advisors or SVCE or its constituent members, in connection with this Agreement.

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

16.13 Joint Preparation of Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any provisions of this Agreement.

16.14 No Fiduciary Duty. Both Parties recognize the commercial nature of this Agreement and neither Party will owe any essential fiduciary duty to the other Party or any Third Party with respect to the performance of any of its obligations hereunder. The Parties hereby waive, to the fullest extent permitted by Applicable Law, any and all fiduciary duties that, absent such waiver, may be implied by law, and in doing so, recognize, acknowledge and agree that their duties and obligations to one another are only as expressly set forth in this Agreement. SVCE acknowledges and agrees that this Agreement shall not preclude TPS from providing services or making sales of a like nature to any other Person, either currently or in the future. TPS may, notwithstanding this Agreement, engage in whatever activities it may choose, including, without limitation, providing the same or similar sales or services in the same geographic region (or other competing activities) for its own account (or for the account of others). Neither this Agreement nor any activity undertaken related to this Agreement will prevent TPS from engaging in such activities or require TPS to disclose the same.

16.15 Survival of Contract Terms. In addition to Sections of this Agreement which specifically state that they shall survive the expiration or earlier termination of this Agreement, the Parties also agree that these General Terms and Conditions shall survive the expiration or earlier termination of this Agreement as and to the extent necessary to give proper effect to the intent of the Parties with respect to their respective rights and obligations arising prior to the termination of this Agreement.

16.16 No Public Utility Designation. Each Party agrees that it shall not claim in any bankruptcy proceeding related to such Party that the other Party is serving as a public utility for such Party by selling Energy or providing Services under this Agreement.

16.17 Non-Discrimination. During the performance of this Agreement, neither Party, or their Representatives, shall unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in SVCE or

TPS's employment practices or in the furnishing of services to recipients. Both Parties shall ensure that the evaluation and treatment of their employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. Both Parties and their Representatives shall, in the performance of this Agreement, fully comply with all Applicable Laws which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

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EXHIBIT A
RESOURCE INFORMATION

A. SVCE's Resources That Will Require Scheduling

Resource #1

Resource Name:	**Slate Solar Photovoltaic + BESS**
Location:	King County, California
Number of CAISO Resource IDs:	1
CAISO Resource ID:	SLATE_2_SLASR2
Unit SCID:	To be determined
Portion of total CAISO Net Qualifying Capacity of Resource:	100%
Resource Type:	Solar Photovoltaic coupled with BESS in a hybrid configuration
Capacity:	93 MW solar, 46 MW BESS
Delivery Point:	At resource's P-node
Facility PNode:	SLATE_7_N002
Transmission Owner:	Pacific Gas & Electric Company
PPA Term (Years)	17 years
Fixed Monthly Fee:	$6,000

Resource #2

Resource Name:	**Rabbitbrush Solar Photovoltaic + BESS**
Location:	Kern County, California
Number of CAISO Resource IDs:	1
CAISO Resource ID:	RATSKE_2_RBSSB2
Unit SCID:	To be determined
Portion of total CAISO Net Qualifying Capacity of Resource:	100%
Resource Type:	Solar Photovoltaic coupled with BESS in a hybrid configuration
Capacity:	40 MW solar, 8 MW BESS
Delivery Point:	At resource's P-node
Facility PNode:	RATTLSNK_7_RB2N002
Transmission Owner:	Southern California Edison Company
PPA Term (Years)	15 years
Fixed Monthly Fee:	$6,000

B. Shared Resources (with Central Coast Community Energy "3CE") That Will Require Scheduling:

Resource #3

Resource Name:	**Victory Pass Solar Photovoltaic + BESS**
Location:	Riverside County, California
Number of CAISO Resource IDs:	2
CAISO Resource ID:	VICPAS_2_VPSBT1 (BESS) VICPAS_2_VPSSR1 (Solar)
Unit SCID:	To be determined
Portion of total CAISO Net Qualifying Capacity of Resource:	100% of 200 MW solar and 100% of 50 MW BESS

Resource Type:	Solar Photovoltaic coupled with BESS in a co-located configuration
Capacity:	100 MW solar, 25 MW BESS
Delivery Point:	At resource's P-node
Facility PNode:	VPASS_7_NBT1 (BESS) VPASS_7_NSR1 (Solar)
Transmission Owner:	Southern California Edison Company
PPA Term (Years):	15 years
Fixed Monthly Fee:	$3,000 ($6,000, shared 50%/50% between 3CE and SVCE)
3CE's Percentage Share of Resource:	50%
SVCE's Percentage Share of Resource:	50%

C. SVCE's Resources That Will Not Require Scheduling, But will Require Monitoring

Resource #4

Resource Name:	**Coso Geothermal**
Location:	Inyo County, California
Number of CAISO Resource IDs:	3
CAISO Resource ID:	BLM_2_UNITS, CALGEN_1_UNITS, NAVYII_2_UNITS
Unit SCID:	
Portion of total CAISO Net Qualifying Capacity of Resource:	100%
Resource Type:	Geothermal
Capacity:	44.4 MW (degrades by year, step down to about 29.6 MW/yr in 2027)
Delivery Point:	Any or all of the following PNodes (CAISO Pnodes: POD_CALGEN_1_UNITS- APND; POD_NAVYII_2_UNITS-APND; POD_BLM_2_UNITS-APND), allocated in accordance with ordinary business practices which generally means Seller shall use commercially reasonable efforts to allocate the Delivered Energy in the same proportion to how the Facility Energy is allocated among the PNodes; provided, nothing herein shall prevent Seller from reallocating Delivered Energy in light of actual operating conditions as they occur.
Facility PNode:	See "Delivery Point"
Transmission Owner:	Southern California Edison Company
PPA Term (Years)	15 years
Fixed Monthly Fee:	$1,200 ($3,000, shared at 60% 3CE and 40% SVCE)

D. Shared Resources (with Central Coast Community Energy "3CE") That Will Not Require Scheduling, But Will Require Monitoring

Resource #5

Resource Name:	**Yellow Pine Solar Photovoltaic + BESS**
Location:	Clark County, Nevada
Number of CAISO Resource IDs:	2
CAISO Resource ID:	YELPIN_2_YP2BT1 (BESS)

	YELPIN_2_YP2SR1 (Solar)
Unit SCID:	YPSS
Portion of total CAISO Net Qualifying Capacity of Resource:	100% of 125 MW solar and 100% of 65 MW BESS
Resource Type:	Solar Photovoltaic coupled with BESS in a co-located configuration
Capacity:	50 MW solar, 26 MW BESS
Delivery Point:	At resource's P-node
Facility PNode:	YELWPN1_7_N002 (BESS) YELWPN1_7_N001 (Solar)
Transmission Owner:	GridLiance
PPA Term (Years):	20 years
Fixed Monthly Fee:	$1,200 ($3,000, shared at 60% 3CE and 40% SVCE)
3CE's Percentage Share of Resource:	60%
SVCE's Percentage Share of Resource:	40%

Resource #6

Resource Name:	Ormat's Mammoth Casa Diablo IV Geothermal Project
Location:	Mono County, California
Number of CAISO Resource IDs:	1
CAISO Resource ID:	CASADB_1_CD4GT1
Unit SCID:	TS22
Portion of total CAISO Net Qualifying Capacity of Resource:	Approximately 35% (14 MW) of Resource's total capacity of 40 MW
Resource Type:	Geothermal
Capacity:	7 MW
Delivery Point:	At resource's P-node
Facility PNode:	CSADIAB_7_N001
Transmission Owner:	Southern California Edison
PPA Term (Years):	10 years
Fixed Monthly Fee:	$1,500 ($3,000, shared 50%/50% between 3CE and SVCE)
3CE's Percentage Share of Resource:	50%
SVCE's Percentage Share of Resource:	50%

Resource #7

Resource Name:	**AES Mountainview Wind Project**
Location:	Riverside County, California
Number of CAISO Resource IDs:	1
CAISO Resource ID:	MTWind_1_MVPWD1
Unit SCID:	AIE6
Portion of total CAISO Net Qualifying Capacity of Resource:	100% of Resource's total capacity of approximately 66.6 MW
Resource Type:	Wind
Capacity:	33.3 MW
Delivery Point:	At resource's P-node
Facility PNode:	MTWIND_7_N004
Transmission Owner:	Southern California Edison
PPA Term (Years):	20 years

Fixed Monthly Fee:	$1,500 ($3,000, shared 50%/50% between 3CE and SVCE)
3CE's Percentage Share of Resource:	50%
SVCE's Percentage Share of Resource:	50%

SERVICE FEE SCHEDULE IN 2024 FOR GENERIC RESOURCES[1]:

Costs on a per unit	Set Up Fee	Monthly Fee
Set Up[4]	$ 5,000	N/A
Telemetry	$ -	TPS will pass through any actual monthly cost for communication channels needed between the Facility and TPS's primary and backup operation centers without markup.
Scheduling and Outage Management (2 or less Resource IDs) [2, 3]	$ -	$ 6,000.00
Scheduling and Outage Management (3 or 4 Resource IDs)[2, 3]	$ -	$ 8,000.00
Scheduling and Outage Management (5 or 6 Resource IDs)[2, 3]	$ -	$ 10,5000.00
Scheduling and Outage Management (7 or more Resource IDs)[2, 3]	$ -	To be discussed between the Parties
Data and Settlement Validation[1 2, 3]	$ -	$ 3,000.00

[2]*Fixed Monthly Fee will increase annually by the CPI-U (minimum 2%).*

[3] *Pricing provided is for technology types currently online or expected to come online based on the Resources List provided by the Joint Agencies (solar, solar + storage, standalone storage, geothermal, and wind). TPS has experience with all technology types and could provide services to other resource types as agreed upon by the Joint Agencies and TPS. .*

[4] *Fee will be assessed on a per Resource basis.*

[1] This service fee schedule applies to Resources yet to be named by SVCE during the term of this Agreement. The fee schedule is adjusted annually pursuant to Section 5.2 of the Base Agreement.

EXHIBIT B
NOTICE INFORMATION

TENASKA POWER SERVICES CO.	SILICON VALLEY COMMUNITY ENERGY AUTHORITY
Notice Address: 300 E. John Carpenter Freeway, Suite 1100 Irving, TX 75062	**Notice Address:** 333 W. El Camino Real, Suite 330 Sunnyvale, CA 94087
Attn: Director, Contract Administration	**Attn: CEO**
Phone: (817) 303-1860	**Phone: 408-721-5301**
Facsimile: (817) 303-1867	**Facsimile:**
Email: TPSContractAdmins@tnsk.com	**Email: monica.padilla@svcleanenergy.org** **Kris.vanvactor@svcleanenergy.org**
CICI Number: 549300K7NFSB93YGBN35	**CICI Number:**
CFTC Designation: End User	**CFTC Designation:**
Duns: 01-501-6913	**Duns: 08-046-2990**
Federal Tax ID Number: 47-0824081 (The above is the Tax ID for Tenaska Energy, Inc., the parent company of TPS. TPS is a disregarded entity for federal tax purposes.)	**Federal Tax ID Number:** **81-2158638**
Confirmations: Attn: Confirms Phone: (817) 303-3609 Email: confirms@tnsk.com	**Confirmations:** Attn: Phone: Email:
Real-Time Trading: Phone: (817) 462-1528	**Real-Time Trading:** Phone:
Payments: Attn: Accounts Receivable 14302 FNB Parkway Omaha, NE 68154 Phone: (402) 938-1621	**Payments:** **Finance Group** **(408) 721-5301** svceinvoices@svcleanenergy.org
Invoices: Attn: Accounts Payable Phone: (817) 462-1521 Email: tps-accounting@tnsk.com	**Invoices:** Attn: Power Supply Group Phone: (408) 721-5301 Email: svceinvoices@svcleanenergy.org
Wire/ACH Transfer: Bank: US Bank, Omaha, NE ABA No: 042000013 Account No: 130111671306 Account Name: Tenaska Power Services Co.	**Wire/ACH Transfer:** Bank: River City Bank ABA No: 121133416 Account No: 6042313302 Account Name:
Credit and Collections: Attn: Credit Department Phone: (817) 303-1113 Email: credit@tnsk.com	**Credit and Collections:** Attn: Finance Group Phone: **(408) 721-5301** Email: svceinvoices@svcleanenergy.org
With additional Notices of an Event of Default or Potential Event of Default to: Attn: Vice President and General Counsel Phone: (817) 462-1507 Email: eodnotices@tnsk.com	**With additional Notices of an Event of Default or Potential Event of Default to:** Attn: CEO Phone: (408) 721-5301 Email: monica.padilla@svcleanenergy.org Kris.vanvactor@svcleanenergy.org

EXHIBIT C
SUPPORT SERVICES

In addition to those activities described in Section 2.8 of the Base Agreement, TPS will (with SVCE's cooperation as necessary):

1. determine, establish and implement the necessary communication methods, operational information technology and interfaces with CAISO including for purposes of transmitting Real-Time telemetry from the Resources to TPS's primary and backup operation centers;

2. establish itself as the Scheduling Coordinator for the Resources;

3. if applicable, specify, install, configure, and test all required interface equipment needed to acquire and transmit CAISO-required Real-Time telemetry;

4. one (1) Business Day prior to the Commencement Date, submit offers to CAISO applicable to the Resources for the Commencement Date;

5. provide such other assistance with respect to the Documentation as SVCE may reasonably require;

6. assist SVCE with the CAISO New Resource Implementation (NRI) Checklist as SVCE may reasonably require; and

7. assist SVCE in establishing and setting up its ability to send and transmit telemetering data to the markets.

EXHIBIT D
WEEKLY PAYMENT PROCEDURE

In addition to the monthly invoice process described in Section 7 of the General Terms and Conditions, the Parties agree to use the following process for exchanging weekly amounts ("***Weekly Payment Procedure***"):

1) Each Wednesday (or if a Wednesday is not a Business Day, the next Business Day), TPS will produce a statement of CAISO settlement activity for the 2nd week prior (Monday-Sunday) for the Resources ("***Weekly Statement***"). For example, under the Weekly Payment Procedure, TPS would issue a Weekly Statement on Wednesday, July 26, 2023, which would reflect CAISO settlement activity for Operating Days July 10 – 16, 2023.

2) The Party owing an amount shown on a Weekly Statement will remit such amount three (3) Business Days after receipt of the Weekly Statement (typical due date will be the Friday following the Weekly Statement issued on Wednesday).

3) Weekly Statements will only reflect initial CAISO settlement activity.

4) TPS will continue to issue monthly invoices pursuant to Section 7 of the General Terms and Conditions, including Fixed Monthly Fees, Pass Through Amounts, and any CAISO settlement amounts not already remitted under a Weekly Statement.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1d

Item 1d:	**Adopt Resolution Authorizing the Chief Executive Officer to Execute Master Agreement with City of Palo Alto to Enable the Execution of Energy Transactions**
From:	Girish Balachandran, CEO
Prepared by:	Zakary Liske, Deputy Director of Power Resources Bob Tang, Power Supply Project Manager
Date:	3/13/2024

RECOMMENDATION

Adopt Resolution 2024-xx delegating authority to the Chief Executive Officer (CEO) to execute a Master Agreement (as defined below) with City of Palo Alto ("Palo Alto").

BACKGROUND

SVCEA bases its power supply agreements on the industry-standard Edison Electric Institute (EEI) master power purchase and sale agreement ("Master Agreement"). The Master Agreement is a widely used standard form agreement containing general terms and conditions for electric power transactions. The SVCE Board of Directors ("Board") via resolution and/or minute action, has authorized the CEO to execute Master Agreements with multiple counterparties and has delegated authority to transact under the Master Agreements contingent on limits related to term, price and/or products such as renewable energy and resource adequacy capacity. To-date, SVCEA has executed EEI agreements with 17 counterparties, most recently with Citadel Energy Marketing LLC in June 2023.

The Board-approved Energy Risk Management Policy "ERM Policy" establishes limits for the types of transactions the CEO, or his designee, may execute along with limits on authority related to term, volume and dollars and necessary oversight. The Board most recently approved a revised ERM Policy in August 2023. The Master Agreements are intended to work within the parameters of the ERM Policy.

Over the course of several months in 2023, Palo Alto and SVCE negotiated an EEI Master Agreement. The two parties have agreed to certain terms and provisions as defined in the attached EEI Cover and Collateral Annex, which have been reviewed and approved by SVCE's counsel and are consistent with the terms approved by the Board under existing Master Agreements.

ANALYSIS & DISCUSSION

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

The Board may either execute Master Agreements and subsequent Confirmations or delegate such authority to the CEO, which the Board has done subject to certain limitations and adherence to the Board-approved Energy Risk Management Policy.

Agenda Item: 1d **Agenda Date: 3/13/2024**

Palo Alto Master Agreement
Palo Alto is a California city with its own publicly owned electric utility. The proposed Master Agreement would enable SVCE to enter transactions with Palo Alto which will add a new counterparty when SVCE makes wholesale purchases, providing additional depth to SVCE's power procurement activities, especially for RPS and carbon-free transactions.

The CEO requests authority to execute the Master Agreement as provided for in Attachment 2, which contains the proposed terms under the Cover Sheet.

STRATEGIC PLAN

SVCE's Strategic Plan, Goal 2 Measure 1, directs staff to acquire long-term agreements to meet California's long-term renewable mandate.

ALTERNATIVE

SVCE could choose to not execute the Master Agreement with Palo Alto, which would not impact any existing contracts in the portfolio.

FISCAL IMPACT

There is no expected fiscal impact as a result of approving this Master Agreement with Palo Alto. Any future transactions with Palo Alto would be made within SVCE's approved budget at the time.

ATTACHMENTS

1. Resolution No. 2024-04 Delegating Authority to the Chief Executive Officer to Execute a Master Agreement with City of Palo Alto
2. Master Power Purchase and Sale Agreement with City of Palo Alto – Cover Sheet

RESOLUTION NO. 2024-04

RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO EXECUTE A MASTER AGREEMENT WITH CITY OF PALO ALTO

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

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

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

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

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

WHEREAS, Silicon Valley Clean Energy Board of Directors ("Board") pursuant to Resolution No. 2016-09 delegated authority to the Chief Executive Officer to negotiate and execute separate Master Agreements with certain energy suppliers ("Suppliers"), (such agreements, the "Approved Master Agreements");

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

WHEREAS, Silicon Valley Clean Energy desires to enter into a Master Agreement with City of Palo Alto to transact Product and has agreed to terms and conditions consistent with Approved Master Agreements.

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

1. Execute a Master Agreement with City of Palo Alto with terms consistent with the form of agreement presented to the Board of Directors, with any non-material changes, additions, variations or deletions ("Changes") which following such execution by both parties, shall become an Approved Master Agreement.

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ADOPTED AND APPROVED this 13th day of March 2024, 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	Alternate Director Ristow				
City of Milpitas	Director Chua				
City of Monte Sereno	Alternate Director Craig				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Alternate Director Abe-Koga				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

_____
Chair

ATTEST:

_____
Secretary

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MASTER POWER PURCHASE AND SALE AGREEMENT
(EEI Version 2.1, modified 4/25/00)

COVER SHEET

This *Master Power Purchase and Sale Agreement* ("*Master Agreement")* is made as of the following date: , 2024 ("Effective Date"). The *Master Agreement*, together with the exhibits, schedules, annexes and any written supplements hereto, the Party A Tariff, if any, the Party B Tariff, if any, any designated collateral, credit support or margin agreement or similar arrangement between the Parties and all Transactions shall be referred to as the "Agreement." The Parties to this *Master Agreement* are the following:

Name: Silicon Valley Clean Energy Authority, a California joint powers authority ("Counterparty" or "Party A")	**Name:** City of Palo Alto ("Counterparty" or "Party B")
All Notices: Attn: Monica Padilla, CEO 333 W. El Camino Real, Suite 330 Sunnyvale, CA 94087 Phone: (408) 721-5301 Email monica.padilla@svcleanenergy.org Duns: 08-046-2990 Federal Tax ID Number: 81-2158638	**All Notices:** Attn: Assistant Director, Resource Management Department of Utilities City of Palo Alto 250 Hamilton Avenue, 3rd Floor Palo Alto, CA 94301 Phone: 650-329-2119 Facsimile: 650-617-3140 Duns: 17-892-8479 Federal Tax ID Number: 94-6000389
With additional Notices of an Event of Default or Potential Event of Default to: Hall Energy Law PC Attn: Stephen Hall Phone: (503) 313-0755 Email: steve@hallenergylaw.com **and to:** Amrit Singh, CFO and Director of Administrative Services Email: amrit.singh@svcleanenergy.org	**With additional Notices of an Event of Default or Potential Event of Default to:** Attn: Senior Assistant City, Attorney/Utilities City of Palo Alto Phone: 650-329-2171 Facsimile: 650-329-2646
Invoices: Attn: Power Supply Group Phone: (408) 721-5301 Email: svceinvoices@svcleanenergy.org	**Invoices:** Attn: Power Accounts Administrator Northern California Power Agency 651 Commerce Drive Roseville, CA 95678-6420 Phone: (916) 781-4224/3636 Facsimile: (916) 781-4225
Scheduling: Attn: ZGlobal Phone: (916) 221-4064 (Jamil Labban) and (916) 235-9193 (Nicole Ramos) Email: jlabban@zglobal.biz and nramos@zglobal.biz	**Day Ahead Pre-Scheduling:** Confirmations: Attn: Pre-Scheduler Desk Northern California Power Agency 651 Commerce Drive Roseville, CA 95678 Phone: 916-781-4240/4227/4228 Facsimile: 916-781-4239

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	Real Time Scheduling: Attn: Chief Dispatcher/Scheduler Northern California Power Agency 651 Commerce Drive Roseville, CA 95678 Phone: 916-781-4237/3636 Facsimile: 916-781-4226
Payments: Attn: Finance Group Phone: (408) 721-5301 Email: svceinvoices@svcleanenergy.org	**Payments:** Attn: Accounts Payable Northern California Power Agency 651 Commerce Drive Roseville, CA 95678 Phone: 916-781-4237/3636 Facsimile: 916-781-4226
Wire Transfer: BNK: River City Bank ABA: 121133416 ACCT: 6042313302	**Wire Transfer:** Deposit to Northern California Power Agency, "to the benefit of City of Palo Alto" BNK U.S. Bank ABA:121122676 ACCT: 1-534-0216-2744 Attn: Cyndy Husebye U.S. Bank 555 SW Oak Street, Suite 400 Portland, OR. 97204 Phone: 877-295-2509 Facsimile: 877-324-1680
Credit and Collections: Attn: Finance Group Phone: (408) 721-5301 Email: svceinvoices@svcleanenergy.org	**Credit and Collections:** Attn: Power Accounts Analyst Northern California Power Agency 651 Commerce Drive Roseville, CA 95678 Phone: 916-781-4221/4224 Facsimile: 916-781-4255

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The Parties hereby agree that the General Terms and Conditions are incorporated herein, as selected, modified and amended by the following specific provisions, as provided for in such General Terms and Conditions:

Party A Tariff: N/A
Party B Tariff: N/A

Article One	
General Definitions	Section 1.1 is amended by adding the following sentence at the end of the definition of "Affiliate": "Notwithstanding the foregoing, the Parties hereby agree and acknowledge that with respect to Party A the public entities designated as members or participants under the Joint Powers Agreement creating Party A shall not constitute or otherwise be deemed an "Affiliate" for the purposes of this Master Agreement or any Confirmation executed in connection therewith.
	Section 1.4 is amended by deleting the first sentence and replacing it to read as follows: "Business Day" means any day except a Saturday, Sunday, the Friday immediately following the Thanksgiving holiday or a Federal Reserve Bank Holiday.
	Section 1.10 is amended by adding after "the price" in line 1 the words ", including any and all AB 32 fees" and substituting "U.S. $" for "$U.S." in line 1.
	Section 1.11 is amended by adding the following after "Party" in the third line: "after using commercially reasonable efforts to mitigate costs".
	Section 1.12 is amended by deleting in the fourth line the word "issues" and replacing it with the word "issuer".
	Section 1.24 is amended by adding before the period at the end thereof the following: "in accordance with Section 5.2".
	A new Section 1.26A is added as follows: 1.26A ""Joint Powers Agreement" means the Joint Powers Agreement, effective as of March 31, 2016, as amended, providing for the formation of Party A, as such agreement may be further amended or amended and restated."
	Section 1.27 is amended by inserting the phrase "and in an amount" in the third line after the word "form" and before the word "acceptable".
	Section 1.28 is amended by adding before the period at end thereof the following: "in accordance with Section 5.2".
	Section 1.45 is amended by adding the following sentence at the end of that provision: "Party B shall be deemed to have complied with any request from Party A for the provision of Performance Assurance by furnishing a copy of a resolution adopted by Party B's City Council within a reasonable period of time after receipt of such request, determining that Party B's retail rates are set at levels sufficiently high to recover all costs of providing electric service to Party B's retail electric customers, including the costs incurred by Party B under all Transactions executed under this Agreement."
	Section 1.46 is amended by adding before the period at the end thereof the following: "; provided that the failure to comply with any requirement of this Master Agreement or a Transaction, including the requirements of Article 8, before the expiration of the time period expressly specified for such compliance in this Master Agreement or the Transaction, if any,

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	shall not be considered a Potential Event of Default unless and until the applicable time period has expired without compliance".
	Section 1.50 is amended by deleting the reference to "Section 2.4" and replacing it with "Section 2.5".
	Section 1.51 is amended by (a) inserting the phrase "for delivery" in the second line after the word "purchases" and before the phrase "at the Delivery Point", and (b) deleting the phrase "at Buyer's option" in the fifth line and inserting in their place the following: "absent a purchase" and (c) inserting in the seventh line after the words, "any penalties" and before ", ratcheted demand", the following: "(other than penalties imposed on Buyer under the CAISO Tariff, the NCPA Metered Subsystem Agreement, or an open access transmission tariff as a result of the non-delivery)".
	Section 1.53 is amended by (a) deleting the phrase "at the Delivery Point" in the second line, and (b) deleting the phrase "at Seller's option" in the fifth line and inserting in their place the following: "absent a sale, assuming a sale could not have been made in a commercially reasonable manner."
	Section 1.56 is amended by deleting the words "pursuant to Section 5.2" and by adding before the period at the end thereof the following: ", as determined in accordance with Section 5.2."
	Section 1.60 is amended by inserting the words "in writing" immediately following the words "agreed to".
Article Two	
Transaction Terms and Conditions	Section 2.1 shall be amended by deleting the second sentence thereof.
	For purposes of Section 2.3, Party B requires that all Transactions be confirmed in writing. Accordingly, the provision is amended by striking the word "may" from the first line thereof and replacing it with the word "shall."
	X Optional provision in Section 2.4. If not checked, inapplicable.
	A new Section 2.6 is added to Article Two, worded as follows: "2.6 No Oral Agreements or Modifications. Notwithstanding anything to the contrary in this Master Agreement, including in this Article Two, no Transaction between the Parties shall become binding unless and until a Confirmation for such Transaction is signed by both Parties, and this Master Agreement and any and all Transactions may not be orally amended or modified, including by Recording pursuant to Section 2.5."
Article Four	
Remedies for Failure to Deliver or Receive	X Accelerated Payment of Damages. If not checked, inapplicable.
	A new Section 4.3 is added to Article Four, worded as follows: "4.3 Suspension of Performance. In addition to the remedies provided pursuant to Sections 4.1, 4.2 and 5.7, if Seller or Buyer fails to schedule, deliver or receive all or part of the Product pursuant to a Transaction for a period of three (3) or more consecutive days, and such failure is not excused under the terms of the Product, by Force Majeure, by the other Party's failure to perform or by agreement of the Parties, then upon one (1) Business Day's prior written notice,

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	and for so long as the non-performing Party fails to perform, the performing Party shall have the right to suspend its performance under such Transaction. In the event the performing Party suspends performance pursuant to this Section 4.3, it shall not be obligated to resume performance until it has received notice from the non-performing Party at least one (1) Business Day prior to the date upon which the non-performing Party intends to resume its performance; provided that, if the performing Party has entered into a replacement contract with a term of 31 days or less, the performing Party may resume performance at the end of the term of such replacement contract. Remedies available under this provision to the performing Party are in addition to, not in replacement of, other remedies specified in this Agreement."
Article Five	
Events of Default; Remedies	X Cross Default provision of Section 5.1(g) shall apply for both Party A and Party B. Cross Default amount for each shall be $20,000,000.
	Section 5.1(g) is amended by inserting, "or any Affiliate of such Party" after the first appearance of the word "Party" in subsections (i) and (ii).
	Section 5.1 is further amended by replacing the period at the end of subsection (h) with a semi-colon, and adding new subsections "(i)," "(j)", "(k)" and "(l)", which read as follows: "(i) during any consecutive ninety (90) day period, there have occurred five (5) or more "Seller Failures" as that term is used in Section 4.1, under any or all Transactions, regarding which the Seller shall be deemed to be the Defaulting Party, and Buyer shall also be entitled to its remedies under Section 4.1; (j) during any consecutive ninety (90) day period, there have occurred five (5) or more "Buyer Failures" as that term is used in Section 4.2 under any or all Transactions, regarding which the Buyer shall be deemed to be the Defaulting Party, and Seller shall also be entitled to its remedies under Section 4.2; (k) a representation or warranty with respect to the Defaulting Party's financial statement provided pursuant to Section 8.1(a) or Section 8.2(a), as applicable, that is false or materially misleading, and is not corrected with five (5) Business Days after the Defaulting Party becomes aware that any such financial statement is false or materially misleading ; or (l) revocation by the Federal Energy Regulatory Commission of Party A's authorization to make sales and market-based rates."
	Section 5.2 is amended in line 3 by changing "right (i) to" to "right to (i)" and by adding the following sentence to the end of that provision: "If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Settlement Amount shall be zero, notwithstanding any provision of this Agreement to the contrary."
	Section 5.3 is amended by inserting the phrase "plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Defaulting Party pursuant to Article Eight", between the words "that are due to the Non-Defaulting Party,", and "plus any and all other amounts" in the sixth line thereof
	Section 5.6 Closeout Setoff ___ Option A (Applicable if no other selection is made.) X Option B - Affiliates shall have the meaning set forth in the Master Agreement.

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	__ Option C (No Setoff)
	Section 5.6 is further amended by inserting before the last sentence in Option B: "At the election of the Non-Defaulting Party, all obligations owing by or to an Affiliate of a Party shall be treated as if they were owing by or to the Party itself for purposes of set- off."
Article Six	Section 6.4 is amended by deleting "and owing to each other on the same date".
	Section 6.8 is amended by deleting the words, "may by agreement of the Parties," in line 3 and inserting in their place the word "shall".
Article Seven	Section 7.1 is amended by (i) deleting in the fifteenth line the words, "UNLESS EXPRESSLY HEREIN PROVIDED,", (ii) adding in the nineteenth line the words, "; PROVIDED, HOWEVER, NOTHING IN THIS SECTION SHALL AFFECT THE ENFORCEABILITY OF THE PROVISIONS OF SECTIONS 4.1 AND 4.2 OF THIS AGREEMENT RELATING TO REMEDIES FOR FAILURE TO DELIVER/RECEIVE AND OF SECTIONS 5.2 AND 5.3 OF THIS AGREEMENT RELATING TO THE CALCULATION AND PAYMENT OF THE TERMINATION PAYMENT" immediately after the words "ANY INDEMNITY PROVISION OR OTHERWISE", and (iii) adding at the end of the last sentence the words, "AND ARE NOT PENALTIES".
Article Eight	**8.1 Party A Credit Protection**
Credit and Collateral Requirements	Financial Information from Party B, Section 8.1(a) __ Option A X Option B Specify: Audited financial statements for City of Palo Alto and for City of Palo Alto Enterprise Fund __ Option C
	Credit Assurances from Party B, Section 8.1(b) X Not Applicable __ Applicable
	Collateral Threshold for Party B, Section 8.1(c) X Not Applicable __ Applicable
	Party B Independent Amount: N/A Party B Rounding Amount: N/A Party B Minimum Transfer Amount: N/A
	Downgrade Event, Section 8.1(d): __ Not Applicable X Applicable If applicable, complete the following: X It shall be a Downgrade Event for Party B *only* if (a) Party B's underlying rating, determined without reference to third party credit enhancement, on its utility revenue bond ("Debt") by S&P or Moody's is respectively below BBB- or Baa3, or (b) both S&P and Moody's refuse

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	to rate Party B's Debt, or (c) Party B's City Council no longer has the legal authority under the Act, as defined by Schedule M, to adjust electric rates as necessary to recover Party B's costs of providing retail electric service to its customers.
	Guarantor for Party B, Section 8.1(e): N/A Guarantee Amount: N/A
	8.2 Party B Credit Protection:
	Financial Information from Party A, Section 8.2(a): ___ Option A X Option B Specify: Audited financial statements to be provided by Party A as described in Section 8.2(a) shall be for Party A or parent entity, if any, providing credit support. ___ Option C
	Credit Assurances from Party A, Section 8.2(b): X Not Applicable __ Applicable
	Collateral Threshold for Party A, Section 8.2(c): ____ Not Applicable X Applicable If applicable, complete the following: Party A Collateral Threshold: means with respect to Party A, on any date that Party B makes the calculations in Section 8.2(c), (a) the amount set forth below under the heading "Threshold" opposite the Credit Rating for Party A on the relevant date of determination from both S&P and Moody's, or the lower of the two ratings if the Credit Ratings are split, or from the applicable rating agency if there is only one Credit Rating, or (b) zero if on the relevant date of determination Party A does not have a Credit Rating from either of the rating agencies specified below or an Event of Default or a Potential Event of Default with respect to Party has occurred and is continuing. **S&P Rating** / **Moody's Rating** / **Threshold** A- or above / A3 or above / $25,000,000 BBB+ / Baa1 / $15,000,000 BBB / Baa2 / $10,000,000 BBB- / Baa3 / $ 5,000,000 Below BBB- (or rating suspended or withdrawn by both S&P and Moody's) / Below Baa3 (or rating suspended or withdrawn by both S&P and Moody's) / $ 0 (zero)
	Party A Independent Amount: $0 Party A Rounding Amount: $100,000 Party A Minimum Transfer Amount: $250,000
	Downgrade Event, Section 8.2(d): X Not Applicable

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	___ Applicable If applicable, complete the following: ___ It shall be a Downgrade Event for Party A only if the Credit Rating of Party A or Party A's Guarantor falls below BBB- from S&P or Baa3 from Moody's or if the unenhanced, unsecured senior long-term debt securities or obligations of Party A or Party A's Guarantor ceases to be rated by either S&P or Moody's.
	Guarantor for Party A, Section 8.2(e): Guarantor for Party A: N/A Guarantee Amount: N/A
Article Ten	
	Section 10.1 is amended by replacing "upon (thirty) 30 days' prior written notice" in lines 2 and 3, with ", which termination shall be effective immediately upon receipt of written notice thereof".
	Section 10.2 is amended as follows: (i) Replace the phrase "(including any Confirmation accepted in accordance with Section 2.3)" with "(including any Confirmation confirming a Transaction)" in subsections (ii), (iii), (iv), (vi), (vii), (viii), (x) and (xi).
	Section 10.2 (ix) is amended to read in its entirety as follows: "(ix) (1) it is an "eligible contract participant" as such term is defined in the Commodity Exchange Act, as amended 7 U.S.C. § 1 (a) (12); and (2) it is an "eligible commercial entity" as such term is defined in the Commodity Exchange Act, as amended 7 U.S.C. § 1 (a) (11).
	Section 10.2 shall be amended by deleting the "and" at the end of sub-section 10.2(xi), replacing the period at the end of subsection 10.2(xii) with a semi-colon, and adding a new sub-section (xiii) as follows: "Notwithstanding any provision in this Agreement to the contrary, all information, statements, reports and similar materials, conveyed by Party A orally or in writing to Party B to demonstrate Party A's financial condition, are true and accurate in all material respects. Any representation made by Party A regarding its financial performance or condition or that of its corporate parent ("Financial Representation") as an inducement to Party B during the solicitation, bidding or negotiation of any Transaction entered into under this Master Agreement shall be deemed to be repeated and reaffirmed as of the date of the applicable Transaction and incorporated as a representation of Party A or a related party, if any, who makes the Financial Representation in that Transaction, without the need for any further action by either Party; and"
	Section 10.4 shall be amended by inserting the phrase "To the extent permitted by law," at the beginning of each of the first two sentences, and substituting the word, "each" for "Each" after the insertion of each such phrase.
	Section 10.5 shall be amended by deleting clause (ii) and the portion of clause (iii) prior to the words "provided, however", and replacing them with the following: "(ii) transfer or assign this Agreement to an Affiliate of such Party so long as (x) such Affiliate's creditworthiness is equal to or higher than that of such Party or the Guarantor as of the Effective Date and the date of entering into each Transaction under this Agreement, if any, for such Party, or (y) the obligations of such Affiliate are guaranteed by such Party or its Guarantor, if any, in accordance with a guaranty agreement in form and substance satisfactory to the other Party, and (iii) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets of such Party whose creditworthiness is equal to or higher than that of such Party or its Guarantor, if any, as of the Effective Date and the

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	effective date of any such transfer or assignment.
	Section 10.6 is amended by deleting the words "New York" from the fourth line thereof and replacing it with the word "California." Further, Section 10.6 is amended by deleting the last sentence thereof and replacing it with the following sentence: "With respect to any proceeding in connection with any claim, counterclaim, demand, cause of action, dispute and controversy arising out of or relating to this Agreement, the parties hereby consent to the exclusive jurisdiction of the federal courts sitting in the Northern District of the State of California; provided, however, that if the federal courts sitting in the Northern District of the State of California refuse jurisdiction, the Parties agree to the exclusive jurisdiction of the state courts sitting in the County of Santa Clara, State of California."
	Section 10.7 shall be deleted in its entirety and replaced with the following: "All notices, requests, statements or payments shall be made as specified in the Cover Sheet. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service or email. Notice given by hand delivery shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. Notice given by email shall be effective upon delivery, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith; provided, however, that changes to wire transfer and other banking information on the Cover Sheet 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 to the Cover Sheet."
	Section 10.8 is modified by adding before the word "constitute" in line four of Section 10.8, ", and all financial and other information, explanations, statements, reports provided by one party to the other in connection therewith". Section 10.8 shall be amended by deleting its penultimate sentence in its entirety and replacing it with the following sentences: "The indemnity provisions of this Agreement shall survive the termination of this Agreement for the period of the applicable statute of limitations. The audit provisions of this Agreement shall survive the termination of this Agreement for a period of twelve (12) months."
	Section 10.10 is deleted in its entirety and replaced with the following new section: "Bankruptcy. The Parties acknowledge and agree that (i) any Transaction with a maturity date more than two days after the date the Transaction is entered into constitutes a "forward contract" within the meaning of the United States Bankruptcy Code", as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 and from time to time (the "Bankruptcy Code"); (ii) each believes that it is or intends that it shall be deemed for all purposes to be a "forward contract merchant" within the meaning of the Bankruptcy Code; (iii) all payments made or to be made by one Party to the other Party pursuant to this Agreement are "settlement payments" within the meaning of the Bankruptcy Code; and (iv) all transfers of Performance Assurance by one Party to the other Party under this Agreement are "margin payments" within the meaning of the Bankruptcy Code. Each Party further agrees that, for purposes of this Agreement, the other Party is not a "utility" as such term is used in 11 U.S.C. Section 366, and each Party agrees to waive and not to assert the applicability of the provisions of 11 U.S.C. Section 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further agrees to waive the right to assert that the other Party is a provider of last

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	resort."	
Confidentiality	X Confidentiality Applicable, subject to Section 10.11 as amended.	If not checked, inapplicable.
	Section 10.11 shall be replaced in its entirety with the following: "Both Parties are subject to California Constitution Article 1, Section 3, and the California Public Records Act, *Cal. Gov. Code § 7920 et seq.* ("Public Records Act") in regard to the documents comprising this Master Agreement and the Transactions, which items may constitute public records subject to inspection and copying by the public under the authority of the California Constitution and the Public Records Act. Each Party ("Receiving Party") shall, consistent with those laws, use reasonable efforts to provide the other Party ("Disclosing Party") with notice of any third party request to inspect and copy any of the documents that comprise this Master Agreement and the Transactions, which Disclosing Party might deem confidential and exempt from disclosure, in order that Disclosing Party may timely seek to protect those documents from disclosure to the third party. Disclosing Party acknowledges and agrees that Receiving Party shall not be liable to Disclosing Party if Receiving Party makes disclosure in accordance with the California Constitution and/or the Public Records Act before Disclosing Party has timely obtained an order to prevent Receiving Party from making the requested disclosure to the third party."	
	A new Section 10.12 shall be added to Article 10 as follows: "10.12. No Agency. In performing their respective obligations hereunder, neither Party is acting, or is authorized to act, as the agent of the other Party."	
	A new Section 10.13 shall be added to Article 10 as follows: 10.13 Dispute Resolution. In the event of any controversy or claim, whether based in contract, tort, or otherwise, arising out of or based upon, or relating to this Agreement or the scope, breach, termination or validity of each of them (a "Dispute"), the Parties will resolve such Dispute in the following manner: 10.13.1 Negotiation. The Parties will attempt in good faith to resolve the Dispute promptly by negotiations between duly authorized representatives of the Parties who have authority to settle the Dispute. When a Party believes there is a Dispute, that Party will give the other Party written notice describing the Dispute with reasonable particularity. Within thirty (30) days after receipt of such notice, the receiving Party will submit a written response to the other Party. 10.13.2 Mediation. If the Dispute is not resolved within forty-five (45) days of the date of the response given pursuant to Section 10.13.1, or such additional time, if any, that the Parties mutually agree to in writing, the Parties shall try in good faith to settle the Dispute by mediation. The form of mediation and the mediator(s) selected to resolve the Dispute shall be acceptable to both Parties. 10.13.3 Additional Rights. If the Dispute is not resolved through mediation within ninety (90) days after the first meeting of the Parties and mediator(s), or such additional time, if any, that the Parties mutually agree to in writing, either Party shall be free to pursue any and all legal actions and remedies as it may deem necessary.	
	A new Section 10.14 shall be added to Article 10 as follows: 10.14: "The Parties acknowledge and agree that any purchase of power made under this Agreement and any Transaction shall be executed and delivered in compliance with applicable laws and regulations in effect at the time this Agreement is signed by the Parties and at the time of entering into any particular Transaction, including, but not limited to, Senate Bill 1368 (California Public Utilities Code section 8340 et seq.) and related regulations (Title 20, Sections 2900 – 2930 of the California Code of Regulations), as amended, to the extent such laws and	

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	regulations, including SB 1368 and related regulations, apply or are deemed to apply to this Agreement and any Transaction. To the extent SB 1368 and related regulations require Party B as a local publicly owned electric utility to submit a compliance filing in accordance with such laws, Party A, upon the request of Party B, shall in good faith provide promptly to Party B (to the extent Party B lacks such information) the information to the extent Party A has knowledge of or access to such information, and shall work cooperatively with and provide commercially reasonable assistance to Party B in Party B's compliance with such laws. A failure by Party A to provide such information which is within its possession or knowledge, and which Party A is legally permitted to disclose, if not corrected within ten (10) Business Days of written notice, shall constitute an Event of Default under this Agreement."
	A new Section 10.15 shall be added to Article 10 as follows: 10.15: "The Parties intend that the standard of review for changes to any rate, charge, classification, term or condition of this Agreement at FERC shall be the most stringent standard permissible under applicable law. As to the Parties, it is understood and agreed that the standard shall solely be the "public interest" application of the "just and reasonable" standard of review, as stated by the United States Supreme Court in *Morgan Stanley Capital Group Inc. v. Public Utility District No. 1 of Snohomish County*, Nos. 06-1457, 128 S.Ct. 2733 (2008), and consistent with the order of the Supreme Court in *NRG Power Marketing, LLC, et al., v. Maine Public Utilities Commission et al.*, No. 08-674, 130 S.Ct. 693 (2010) ("NRG Order"). As to all other persons, the Parties intend and agree that the same standard, to the maximum degree as may be made applicable to other than the Parties, apply, to the maximum degree permitted under the NRG Order."
	A new Section 10.16 shall be added to Article 10 as follows: 10.16 ""AB 32 fees" means the regulatory assessments, charges, fees imposts and/or taxes imposed upon and required to be paid by suppliers of energy in accordance with the Global Warming Solutions Act of 2006, Chapter 488, Statutes 2006, including, without limitation, the Compliance Offset Protocols, which shall be included (or be deemed included to the extent they are not expressly included) in the Contract Price, defined in Section 1.10 of the General Terms and Conditions, and that are in effect as of the Effective Date of this Agreement and/or the date the Parties enter into each Transaction hereunder."
	A new Section 10.17 shall be added to Article 10 as follows: 10.17 "The Parties understand and agree that the Transactions under this Agreement are physical transactions for deferred delivery, and that the Parties contemplate making or taking physical delivery of electric energy. Party A and Party B are each a commercial entity engaged in the business of delivering electric energy to its retail load and routinely makes or takes delivery of electric energy in order to provide service to its retail electric customers."
	A new Section 10.18 shall be added to Article 10 as follows: 10.18 "Nondiscrimination. As set forth in Palo Alto Municipal Code section 2.30.510, Party A agrees that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, pregnancy, genetic information or condition, housing status, marital status, familial status, weight or height of such person. Party A acknowledges that it has read and understands the provisions of Chapter 2.30 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Chapter 2.30 pertaining to nondiscrimination in employment, including completing the form furnished by Party B and set forth in Exhibit D."
	A new Section 10.19 shall be added to Article 10 as follows: 10.19 "Imaged Agreement. Any original executed Agreement, Confirmation or other related

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	document may be photocopied and stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Confirmation, if introduced as evidence in automated facsimile form, the Recording, if introduced as evidence in its original form and as transcribed onto paper, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings, will be admissible as between the Parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the Recording, the Confirmation or the Imaged Agreement (or photocopies of the transcription of the Recording, the Confirmation or the Imaged Agreement) on the basis that such were not originated or maintained in documentary form under either the hearsay rule, the best evidence rule or other rule of evidence."
	A new Section 10.20 shall be added to Article 10 as follows: **Index Transactions.** If the Contract Price for a Transaction is determined by reference to a Price Source, then: a) **Market Disruption Event**. If a Market Disruption Event occurs on any one or more days during a Determination Period (each day, a "Disrupted Day"), then: i) The fallback Floating Price, if any, specified by the Parties in the relevant Confirmation shall be the Floating Price for each Disrupted Day. ii) If the Parties have not specified a fallback Floating Price, then the Parties will endeavor, in good faith and using commercially reasonable efforts, to agree on a substitute Floating Price, taking into consideration, without limitation, guidance, protocols or other recommendations or conventions issued or employed by trade organizations or industry groups in response to the Market Disruption Event and other prices published by the Price Source or alternative price sources with respect to the Delivery Point or comparable Delivery Points that may permit the Parties to derive the Floating Price based on historical differentials. iii) If the Price Source retrospectively issues a Floating Price in respect of a Disrupted Day (a "Delayed Floating Price") before the parties agree on a substitute Floating Price for such day, then the Delayed Floating Price shall be the Floating Price for such Disrupted Day. If a Delayed Price is issued by the Price Source in respect of a Disrupted Day after the Parties agree on a substitute Floating Price for such day, the substitute Floating Price agreed upon by the Parties will remain the Floating Price without adjustment unless the Parties expressly agree otherwise. iv) If the Parties cannot agree on a substitute Floating Price and the Price Source does not retrospectively publish or announce a Floating Price, in each case, on or before the fifth Business Day following the first Trading Day on which the Market Disruption Event first occurred or existed, then the Floating Price for each Disrupted Day shall be determined by taking the arithmetic mean of quotations requested from four leading dealers in the relevant market that are unaffiliated with either Party and mutually agreed upon by the Parties ("Specified Dealers"), without regard to the quotations with the highest and lowest values, subject to the following qualifications: 1. If exactly three quotations are obtained, the Floating Price for each such Disrupted Day will be the quotation that remains after disregarding the quotations having the highest and lowest values. 2. If fewer than three quotations are obtained, the Floating Price for each such Disrupted Day will be the average of the quotations obtained. 3. If the Parties cannot agree upon four Specified Dealers, then each of the Parties will, acting in good faith and in a commercially reasonable manner, select up to two Specified Dealers separately, and those selected dealers shall be the

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Specified Dealers.

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

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

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

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

"Market Disruption Event" means, with respect to any Price Source, any of the following events:

(a) the failure of the Price Source to announce, publish or make available the specified Floating Price or information necessary for determining the Floating Price for a particular day;

(b) the failure of trading to commence on a particular day or the permanent discontinuation or material suspension of trading in the relevant options contract or commodity on the Exchange, RTO or in the market specified for determining a Floating Price;

(c) the temporary or permanent discontinuance or unavailability of the Price Source;

(d) the temporary or permanent closing of any Exchange or RTO specified for determining a Floating Price; or

(e) a material change in the formula for or the method of determining the Floating Price by the Price Source or a material change in the composition of the Product.

"Price Source" means, in respect of a Transaction, a publication or such other origin of reference, including an Exchange or RTO, containing or reporting or making generally available to market participants (including by electronic means) a price, or prices or information from which a price is determined, as specified in the relevant Transaction.

"RTO" means any regional transmission operator or independent system operator.

"Trading Day" means a day in respect of which the relevant Price Source ordinarily would announce, publish or make available the Floating Price.

(b) **Corrections to Published Prices.** If the Floating Price published, announced or made available on a given day and used or to be used to determine a relevant price is subsequently corrected by the relevant Price Source (i) within 30 days of the original publication, announcement or availability, or (ii) in the case of RTO Transactions only, within such longer time period as is consistent with the RTO's procedures and guidelines, then either Party may notify the other Party of that correction and the amount (if any) that is payable as a result of that correction. If, not later than thirty (30) days after publication or announcement of that correction, a Party gives notice that an amount is so payable, the Part that originally either received or retained such amount will, not later than three (3) Business Days after such notice is effective, pay, subject to any applicable conditions precedent, to the other Party that amount, together with interest at the Interest Rate for the period from and including the day on which payment originally was (or was not) made to but excluding the day of payment of the refund or payment resulting from that correction. Notwithstanding the foregoing, corrections shall not be made to any Floating Prices agreed upon by the Parties or determined based on quotations from Specified Dealers pursuant to paragraph (a) above unless the Parties

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	expressly agree otherwise. (c) **Rounding.** When calculating a Floating Price, all numbers shall be rounded to four (4 decimal places. If the fifth (5th) decimal number is five (5) or greater, then the fourth (4th decimal number shall be increased by one (1), and if the fifth (5th) decimal number is less than five (5), then the fourth (4th) decimal number shall remain unchanged.
	The following shall be added as a new Section 10.21: 10.21 "No Recourse Against Constituent Members of Party A. Party A is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) and is a public entity separate from its constituent members. Party A will solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Party B will have no rights and will not make any claims, take any actions or assert any remedies against any of Party A's constituent members, or the officers, directors, advisors, contractors, consultants or employees of Party A or Party A's constituent members, in connection with this Agreement."
Schedule M	X Party A is a Governmental Entity or Public Power System
	X Party B is a Governmental Entity, Schedule M Applicable
Part A	Part A of Schedule M is amended by including the following definition for the term "Act": "Act" as it relates to Party B means the Constitution of the State of California, the California statute(s), charter and municipal ordinances under which Party B was created, organized and authorized to enter into this Master Agreement and each Transaction thereunder. "Act" as it relates to Party A means the Joint Exercise of Powers Act of California (Government Code Section 6500 et seq.). Part A is further amended by adding the following sentence at the end of the definition of the term "Special Fund": "Party A has conducted such investigation as it deems necessary of the City of Palo Alto Enterprise Fund and the Act under which such Fund was established to determine, for its purposes under this Agreement, that such Fund meets this definition of Special Fund."
Part C	Part C of Schedule M is amended by adding the phrase in line 7 "and to the extent applicable," immediately following the word "limitation" in clause (i).
Part D	Section 3.4 is modified by inserting a period after "Master Agreement" in line 7 and deleting the rest of the sentence.
Part E	X Section 3.6 under Part E of Schedule M applies to Party B; however, the portion of that provision following the semicolon on the eighth line thereof is replaced in its entirety with the following: "any breach of clause (ii) of this provision shall be deemed to have arisen during a fiscal period of Governmental Entity or Public Power System for which such budgetary approval or certification of its obligations under this Master Agreement is required to be in effect and an Event of Default shall be deemed to have occurred for purposes of Section 5.1 under which Governmental Entity or Public Power System shall be treated as the Defaulting Party."
Part F	_____ Add Section 8.4. If not checked, inapplicable.
Part G	Part G does not apply.
Schedule P	The following defined terms are added to Schedule P:

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	"CAISO" means the California Independent System Operator Corporation, or its successor. "CAISO Tariff" means the Federal Energy Regulatory Commission approved tariff of CAISO, including all CAISO protocols, as the same may be amended from time to time. "CAISO Energy" means a Transaction in which the Seller shall sell and the Buyer shall purchase a quantity of Energy equal to the hourly quantity without Ancillary Services (as defined in the CAISO Tariff) that is or will be scheduled as a schedule coordinator to schedule coordinator transaction pursuant to the CAISO Tariff as amended from time to time for which the only excuse for failure to deliver or receive is an "Uncontrollable Force" (as defined in the CAISO Tariff) called by the CAISO in accordance with the CAISO Tariff. "HLH (Heavy Load Hour)" is defined as energy delivered from hours ending (HE) 0700- 2200 Monday-Saturday, excluding NERC holidays, PPT. "IST" means Inter-Scheduling Coordinator Trade shall mean a trade between Scheduling Coordinators of Energy or Ancillary Services in accordance with the CAISO Tariff. "LLH (Light Load Hour)" is defined as energy delivered from hours ending (HE) 0100- 0600 and 2300-2400 Monday-Saturday, all day Sunday and NERC holidays, PPT. "NP15 Zone Delivery Point" means the NP15 Zone; provided, however, if CAISO implements trading hubs under a locational marginal pricing design during the Delivery Period, the Delivery Point shall be the Existing Zone Generation NP15 Trading Hub ("NP15 EZ Gen Hub"), as such trading hub is contemplated by the CAISO in its filing made to the FERC dated March 15, 2005 ("Comprehensive Design Proposal for Inter- Scheduling Coordinator Trades Under the California Independent System Operator Corporation's Market Redesign and Technology Upgrade, Docket No. ER02-1656-025"); provided further, if the NP15 EZ Gen Hub (under any name) is not established as part of a market redesign that is implemented during the Delivery Period, the parties agree to promptly work together in good faith to designate an alternate Delivery Point to reasonably approximate the characteristics of the NP-15 Zone. "West Firm", or "WSPP Schedule C" or "Schedule C" or "WSPPC-Firm" or any similar description means with respect to a Transaction, a Product that is or will be scheduled as firm energy consistent with the most recent rules adopted by the WECC for which the only excuses for failure to deliver or receive are if an interruption is (i) due to an Uncontrollable Force as provided in Section 10 of the WSPP Agreement; or (ii) where applicable, to meet Seller's public utility or statutory obligations to its customers. Notwithstanding any other provision in this Agreement, if Seller exercises its right to interrupt to meet its public utility or statutory obligations, Seller shall be responsible for payment of damages for failure to deliver firm energy as provided in Article 4 of this Agreement. "WECC" means the Western Electricity Coordinating Council. "WSPP Agreement" means the Western Systems Power Pool Agreement as amended from time to time.
EXHIBIT A	**MASTER POWER PURCHASE AND SALE AGREEMENT CONFIRMATION LETTER**
EXHIBIT B	**RESOURCE ADEQUACY ("RA") CAPACITY**
	The Parties acknowledge and agree that after the execution of this Master Agreement, they may enter into one or more contracts or confirmations concerning Resource Adequacy, which products, terms, conditions and definitions shall be documented in an Resource Adequacy Confirmation ("RA Confirm"), the terms and conditions of which the Parties agree to negotiate in good faith at the time such Transactions are contemplated.

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EXHIBIT C	**RENEWABLE ENERGY CREDIT ("REC")**
	The Parties acknowledge and agree that after the execution of this Master Agreement, they may enter into one or more contracts or confirmations concerning RECs, which terms and conditions shall be documented in a REC Confirmation and which the Parties agree to negotiate in good faith at the time such Transactions are contemplated.
EXHIBIT D	**CERTIFICATION OF NONDISCRIMINATION**

DRAFT

IN WITNESS WHEREOF, the Parties have caused this Master Agreement to be duly executed as of the date first above written.

Party B: City of Palo Alto Approval as to Form: By: …….. Name: _____ Title: Sr. Asst. City Attorney Date: _____, 20	Party A: Silicon Valley Clean Energy Authority, a California joint powers authority By: …….. Name: …….. Title: …….. Date: _____, 20
Party B: City of Palo Alto Approval by City Manager's Office: By: …….. Name: _____ Title: City Manager Date: _____, 20	
Party B: City of Palo Alto Approval by Administrative Services Department: By: …….. Name: _____ Title: Administrative Services Director Date: _____, 20	
Party B: City of Palo Alto Approval by Utilities Department: By: …….. Name: _____ Title: _____ Date: _____, 20	

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

Exhibit D

Certification of Nondiscrimination

As suppliers of goods or services to the City of Palo Alto, the firm and individuals listed below certify that they do not and will not during the course of this contract discriminate in the employment of any person because of the race, skin color, gender, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, pregnancy, genetic information or condition, housing status, marital status, familial status, weight or height of such person and that they are in compliance with all Federal, State and local directives and executive orders regarding nondiscrimination in employment.

THE INFORMATION HEREIN IS CERTIFIED CORRECT BY SIGNATURE(S) BELOW.

Authorized Signature:_____

Date: _____

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SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1e

Item 1e:	**Receive 2023 Silicon Valley Clean Energy and Electrification Awareness Residential Customer Survey Results**
From:	Girish Balachandran, CEO
Prepared by:	Adam Selvin, Director of Energy Services & Community Relations Pamela Leonard, Deputy Director of Marketing & Communications
Date:	3/13/2024

RECOMMENDATION

Staff recommends the Board of Directors receive the 2023 Silicon Valley Clean Energy and Electrification Awareness Residential Customer Survey Results.

BACKGROUND

Each year, the Energy Services & Community Relations team sends a customer survey to measure baseline awareness of SVCE and interest in electric technologies. The first survey was sent in fall 2020, just before SVCE began major marketing and outreach efforts to introduce customers to eHub, an online resource center that educates and enables action for electrification. Each subsequent survey is used to gauge whether there is an increase in awareness and likelihood of purchasing the electric technologies SVCE promotes with eHub and customer programs.

Staff utilized ADM Energy, SVCE's Evaluation, Measurement & Verification vendor, to support the annual survey. The survey was fielded between August and September 2023, and sent via email and postal mail with a link to complete the survey online. A $10 incentive was offered to complete the survey and it was sent to randomly selected customers and made available in English, Spanish, Chinese, and Vietnamese.

The results are grouped by census tract into Socioeconomic Vulnerability Index (SEVI) quartiles to provide greater insight into SVCE and electrification awareness across different customer segments and identify how we can equitability conduct outreach. SEVI describes the socioeconomic characteristics of census tracts within the SVCE service territory and includes five sub-indicators: education attainment, housing burden, linguistic isolation, poverty, and unemployment, which are indicators that present active barriers to energy security and decarbonization participation. When reviewing the takeaways, the first quartile, or "SEVI 1" represents the least burdened customers, and the fourth quartile, or "SEVI 4" represents those with the most economic burdens.

ANALYSIS & DISCUSSION

The annual survey serves as a useful tool to help inform messaging and marketing opportunities as the questions explore motivations for purchasing, and where customers go to learn about specific technologies. The survey focuses on EVs, heat pumps, and solar+battery, and questions about induction cooking were added this year.

The results of this year's survey were as expected concerning levels of awareness, purchasing motivations, and barriers to adoption. However, there are key takeaways that staff is focusing on, which emphasize the

need for continued outreach and education efforts that communicate the benefits of electrification and provide education about SVCE.

Key Takeaways

1. **SVCE awareness** remains consistent with prior years. Unaided recall is low (7%), but once prompted, awareness was much higher (73%). A larger share of 2023 respondents understood that SVCE provides electricity from renewable and clean energy sources.
    - Customers in SEVI 1 were less likely to believe that SVCE had lower rates than PG&E
    - Customers in SEVI 4 were more likely to believe that SVCE is a company, division, or branch of PG&E.

2. The share of customers who have visited the SVCE website was higher in 2022 and 2023 than in 2020. 22% percent of customers reported in 2022 and 2023 that they had visited the website as compared to 14% in 2020.

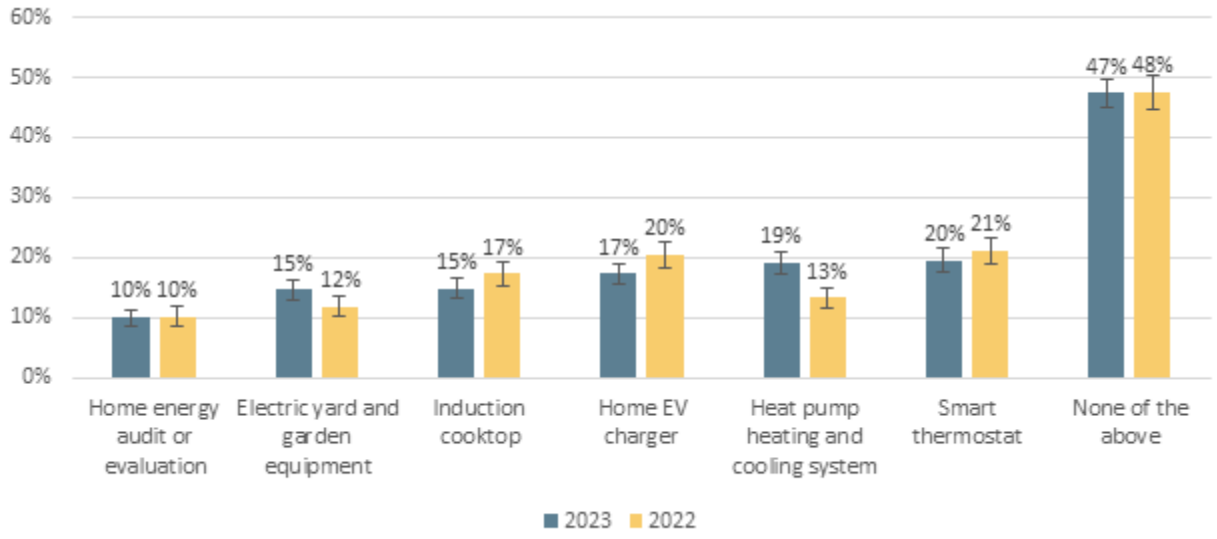
3. **Awareness of programs** – Forty-three percent of customers reported awareness of the survey's listed programs and services offered by SVCE. **Awareness was highest for efficient appliance rebates (36% aware).**

4. **Cost and health and safety** were ranked higher than convenience/performance and environmental impact when making purchase decisions. Convenience and performance were ranked higher for those customers in the first SEVI quartile than those in the fourth SEVI quartile.

5. **Cost was cited in the top 5 barriers for each technology.** Technology-specific barriers that were among the top 5 barriers for each technology were as follows:
    - **EVs:** Driving range and concerns about having a location to charge it.
    - **Heat pump water heaters:** Not having enough information, the need to upgrade the electric system, and the reliability of the technology.
    - **Solar/battery:** Not enough information, the reliability of the technology and "other" barriers. The other barriers included site conditions (other than roof) (n=12), HOA / Condo approvals needed (n = 10), not cost effective (n=7), and roof type or condition issues (n = 5).

- Figure 110 presents the 2022 and 2023 trends in likely purchases. As shown, the likely purchases were generally consistent across product categories, **except for an increase in interest in heat pumps**. The interest in heat pumps may be driven by additional awareness of the Inflation Reduction Act and the incentives provided for heat pumps.

Figure 110 Trends in Likely Purchases



6. **All-Electric Homes** – Beliefs about electric homes were generally positive and consistent across 2020 and 2022. A clear majority (73%) of customers believed that all-electric homes improve indoor and outdoor air quality, but they were **split as to whether or not they were more energy efficient** (54% thought they were). **Sixty-four percent thought they were expensive**.

7. For questions related to the likelihood of purchasing specific technologies in the next three years, **smart thermostats, heat pump heating and cooling systems, and EV chargers** were the three most commonly mentioned purchases.

8. **EVs**
   - Most customers own or have some level of interest in an EV. EV ownership rates in SEVI 4 are about one-third of the rates in SEVI 1.
   - Six percent of respondents cited the SVCE website as a source of information on EVs. More SEVI 4 customers were likely to use this as a source of information than those in SEVI 1 or SEVI 3.
   - Multi-family home residents were more likely to report that not having a location to charge was a barrier to ownership, which confirms our understanding and programmatic approach.

9. Nearly half, at 49%, of respondents indicated no interest in an induction cooktop.

10. "Do it yourself" or home renovation media was the most common source of information, followed by the news and family and friends, for where customers go to get info about heat pump water heaters and solar+battery.

While the survey administrators account for potential sample bias and the data collection effort used best practice approaches to reduce bias. However, some findings presented in this report suggest there's an indication of potential bias in the responses. For example, estimates of solar ownership, with and without battery storage, developed from the survey responses indicate higher rates of ownership of these systems than the interconnection data. The differences between the survey sample and population estimates may reflect differences in ownership of these systems, misunderstanding of the question or response options, or a combination of these factors. Staff will keep this information in mind and work with our vendors to reduce bias in future surveys.

Conducting routine awareness surveys can help SVCE gain insight into customers' awareness, knowledge, and attitudes towards electrification and SVCE. SVCE leverages this knowledge to conduct meaningful and impactful marketing, outreach and communications.

The complete survey results and a copy of the survey questions are available in the attached Awareness Survey Summary of Findings.

STRATEGIC PLAN

The annual customer awareness survey is completed in alignment with the SVCE Strategic Plan, Goal #12: Enact and maintain competitive service offerings for SVCE customers that deliver measurable economic and environmental benefits; Measure 4: Provide excellent customer service, grow customer awareness and satisfaction, and maintain/expand customer participation rate.

FISCAL IMPACT

The cost of survey administration was included in the FY 22-23 marketing budget.

ATTACHMENTS

1. Awareness Survey Summary of Findings

SVCE Awareness Survey: Summary of Findings

Submitted to:

Silicon Valley Clean Energy

Submitted on:

October 6th, 2023

Submitted by:

ADM Associates, Inc.
3239 Ramos Circle
Sacramento, CA 95827
916.363.8383

ADM
ENERGY RESEARCH AND EVALUATION

1 Key Findings and Conclusions

Unaided recall of SVCE was considerably lower than aided recall. Seven percent cited SVCE alone and another 23% cited SVCE and PG&E when asked from whom they purchase electricity (PG&E alone was cited by 88% of customers). Respondents who mentioned PG&E but did not mention SVCE were asked a follow up question on who provides their electricity generation service. Most (70%) did not know, but 18% cited SVCE. The unaided awareness results were statistically similar in 2023 and 2022.

Once prompted with the name SVCE, awareness was much higher. All respondents were asked if they had heard of Silicon Valley Clean Energy and a majority of customers stated they had heard of SVCE (73%). While three-quarters of customers had heard of SVCE, half (50%) knew that SVCE provides the electricity that they use. The comparable figures for 2022 were similar (73% had heard of SVCE, 44% knew that SVCE provides the electricity that they use.

Forty-three percent of customers were aware of the programs offered by SVCE. The best-known programs were rebates for efficient, electric appliances (36% aware), followed by rebates for water heaters (21% aware). Twelve percent were aware of the eHub online resource center and 16% were aware of GridShift EV Charging.

Cost and health and safety were ranked higher than convenience/performance and environmental impact when making purchase decisions. Convenience and performance were ranked higher for those customers in SEVI 1 quartile than those in SEVI 4 quartile.

Customers are more familiar with EVs and solar/battery than with heat pump water heaters. Around 6% of customers cited the SVCE website as a source for information for EVs, heat pump water heaters (9%), and for solar/battery (10%).

Cost was cited in the top 5 barriers for each technology. Technology-specific barriers that were among the top 5 barriers for each technology were as follows:

- **EVs:** Driving range and concerns about having a location to charge it.
- **Heat pump water heaters:** Not having enough information, the need to upgrade the electric system, and the reliability of the technology.
- **Solar/battery:** Not enough information, the reliability of the technology and “other” barriers. The other barriers included site conditions (other than roof) (n=12), HOA / Condo approvals needed (n = 10), not cost effective (n=7), and roof type or condition issues (n = 5).

1.1 Comparisons of 2020 - 2023 Findings

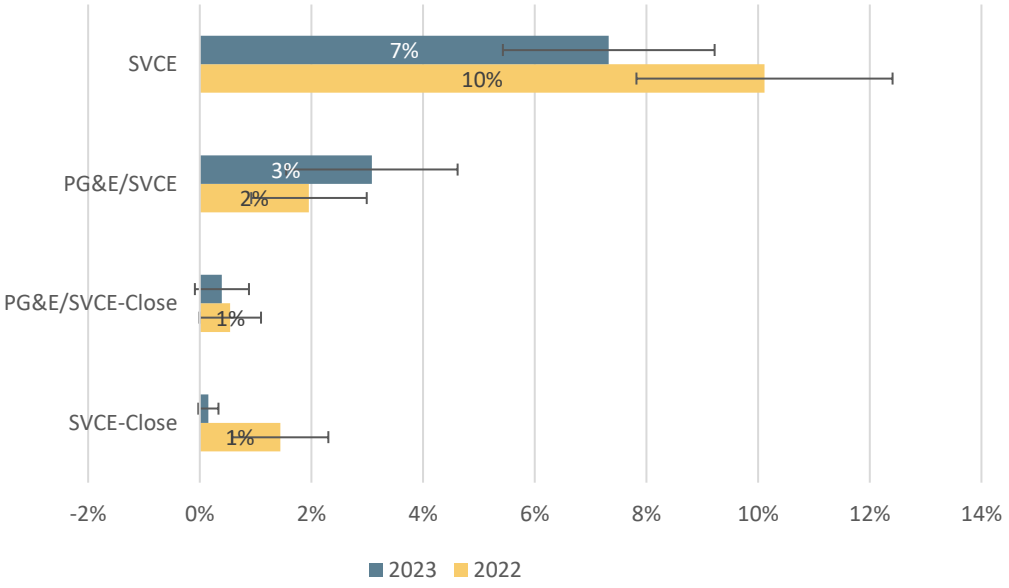
The key findings of comparisons between the 2020, 2022, and 2023 survey findings are presented below. ADM calculated the 90% confidence intervals for each estimate. The confidence intervals represent the variation in the estimate that may be due to chance sample variation. That is, we would expect that the population value would fall between the lower and upper bounds of the confidence interval.

When the confidence intervals from two years overlap, it suggests that any apparent difference between the two values is likely due to random sampling variation, that is, there is not a meaningful difference between the two years. When the confidence intervals do not overlap, it can be reasonably concluded that the differences in values are not due to random sampling variation and that there is a meaningful difference between the two years.

1.1.1 Awareness of SVCE

Unaided recall of SVCE was unchanged between 2022 and 2023. Figure 1-1 summarizes the unaided recall of SVCE. The responses were open-ended responses to a question on from whom the respondent buys electricity and categorized by ADM.

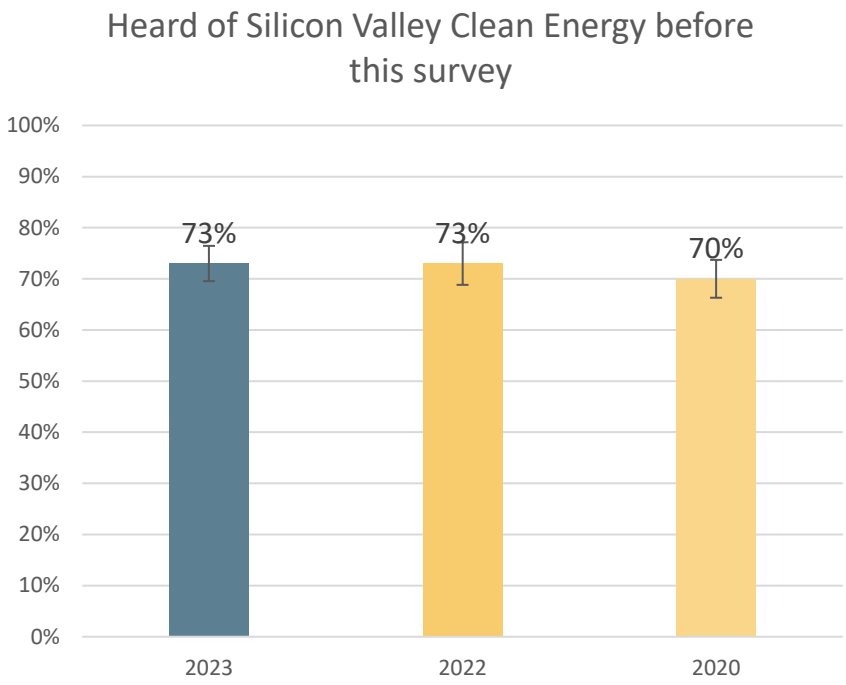
Figure 1-1 2022 and 2023 Unaided Awareness of SVCE



* SVCE-Close refers to responses that did not state SVCE but seemed to be referring to it. This question was not asked in the 2020 survey.

Aided awareness of SVCE remained unchanged between 2020, 2022 and 2023. As shown in Figure 1-2, the estimates of aided awareness were not statistically different 2020, 2022 and 2023.

Figure 1-2 Aided Awareness of SVCE Trends



A similar share of customers reported that they knew that SV Clean Energy provides the electricity they use in 2023 than in 2022. As shown in Figure 1-3, 50% of customers knew that SVCE provided the electricity that they use in 2023. Although this value is higher than in 2022, the results may be due to sampling error rather than reflecting a trend.

Despite this difference in reported awareness, there was not a difference over the period in the share of customers who reported having seen the SVCE generation charge on their bill (Figure 1-4).

Figure 1-3 Knowledge that SVCE Provides Energy they Use Trends

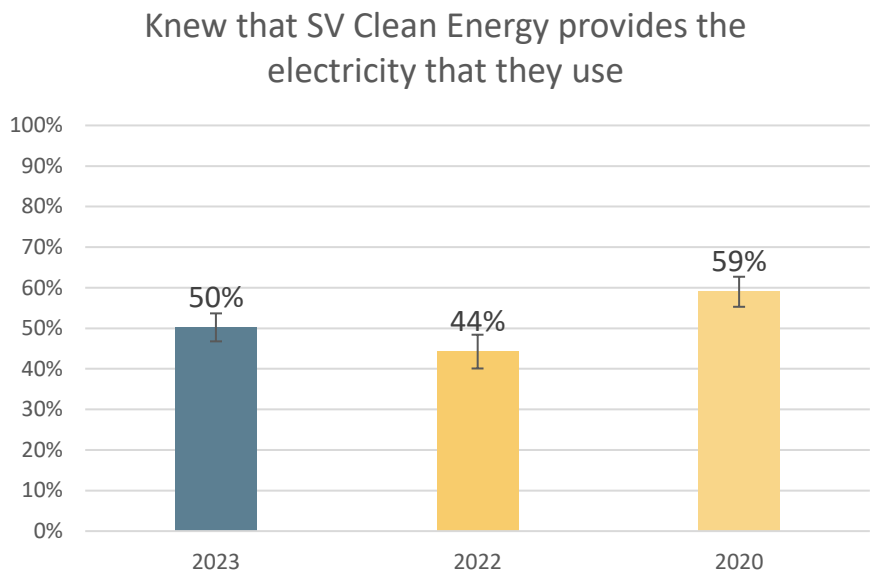
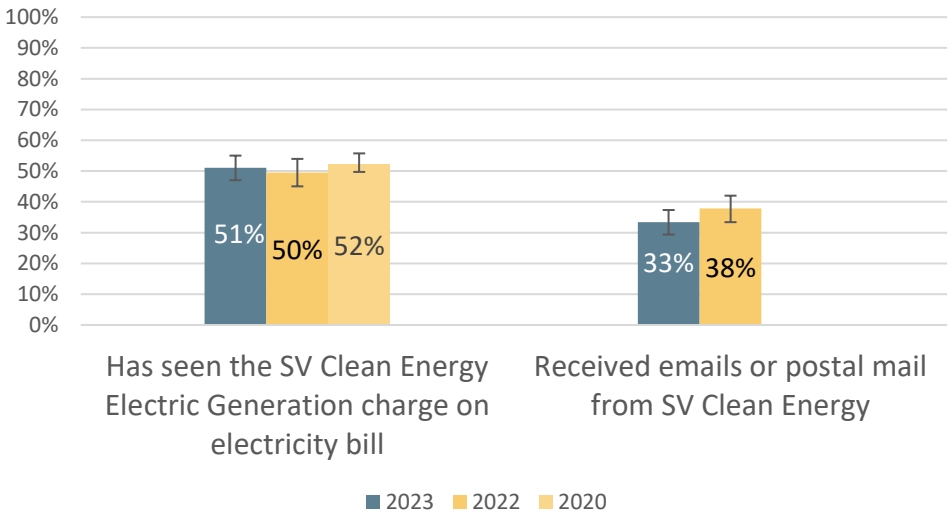
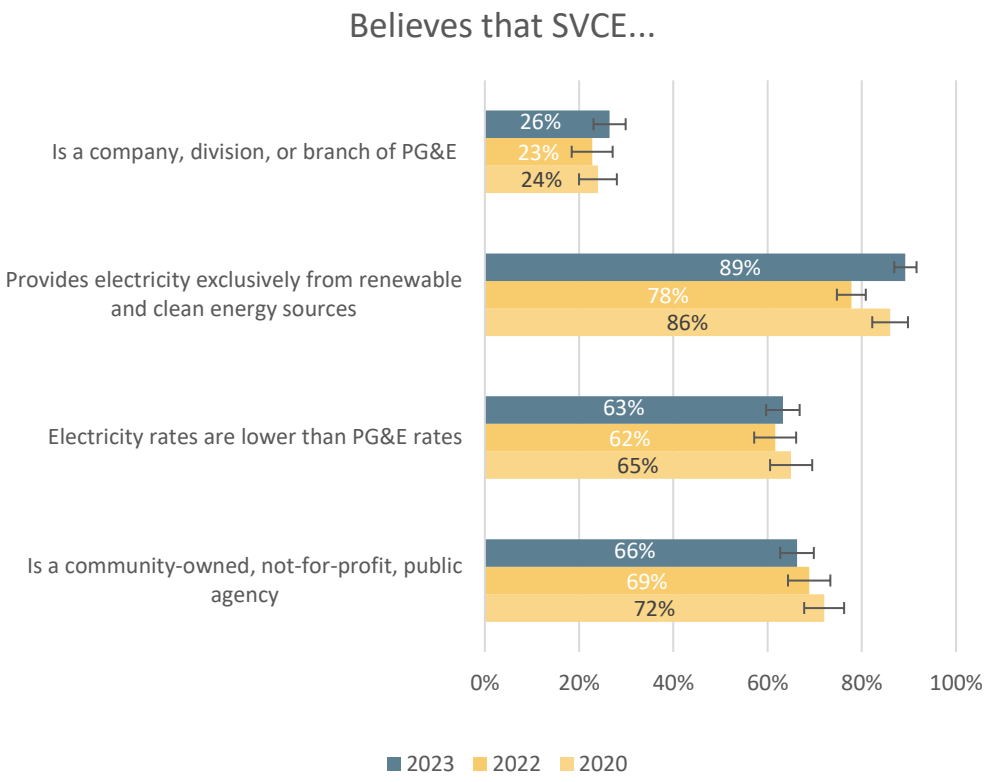


Figure 1-4 Seen Electric Generation Charge and Received Communication Trends



Beliefs about what SVCE is and does were similar in 2022 and 2023. A larger share of 2023 respondents understood that SVCE provides electricity from renewable and clean energy sources. The results for the other items were consistent with the findings from 2020 and 2022.

Figure 1-5 Understanding of SVCE Trends

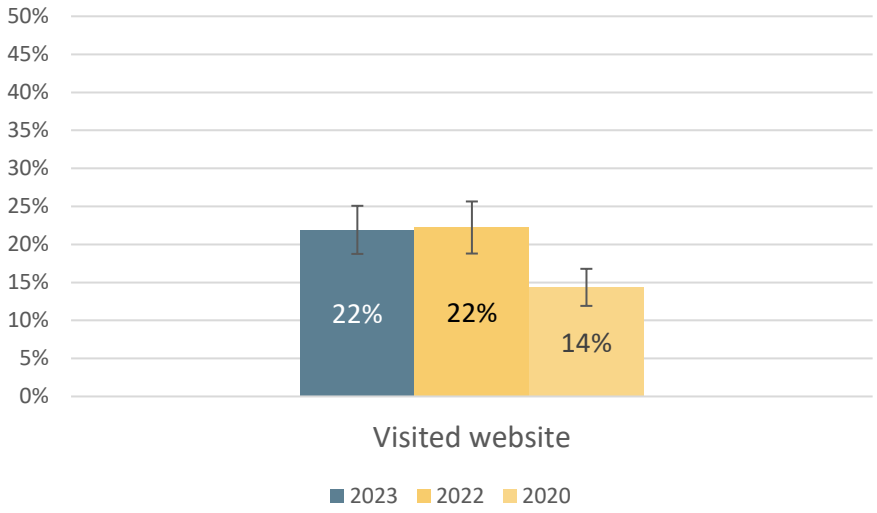


1.1.2 Website Use

The share of customers who have visited the SVCE website was higher in 2022 and 2023 than in 2020. Twenty-two percent of customers reported in 2022 and 2023 that they had visited the website as compared to 14% in 2020.[1]

[1] There was a small change in the wording of the question in 2022 from "Before today, have you visited the SV Clean Energy website?" in 2020 to "From emails or other means, have you visited the SV Clean Energy website?" in 2022. However, if the wording had any impact on the response, the clause "from emails or other means," used in 2022 would likely be interpreted as a more restrictive case for visiting the website (i.e., in response to an email) and resulted in a smaller share of customers who visited the website in 2022.

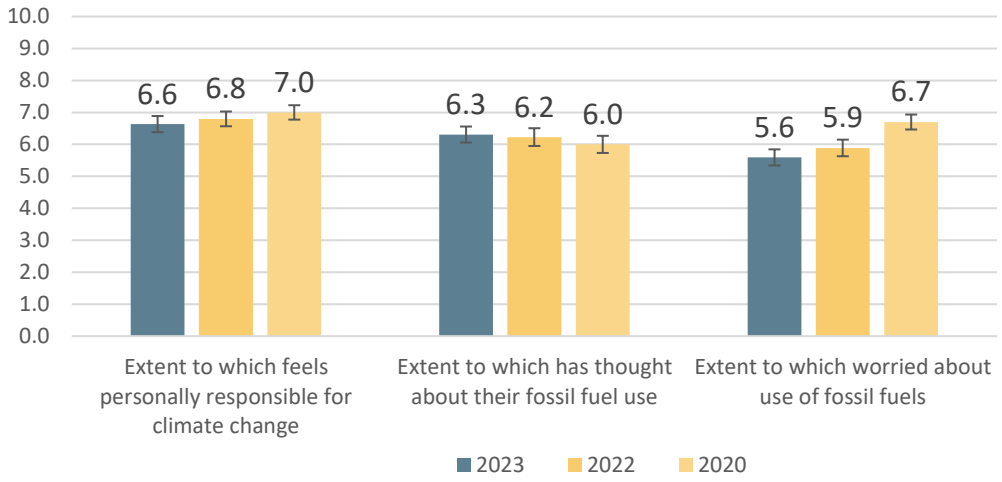
Figure 1-6 Website Visit Trends



1.1.3 Energy Efficiency Attitudes and Awareness

Worry about personal fossil fuel use was lower in 2022 than in 2020, but results from 2023 were unchanged from 2022. As shown in Figure 1-7, worry about personal fossil fuel use was lower in 2022 and 2023 than in 2020, but extent to which customers have thought about fossil fuel use and the extent to which they feel personally responsible for climate change remained unchanged.

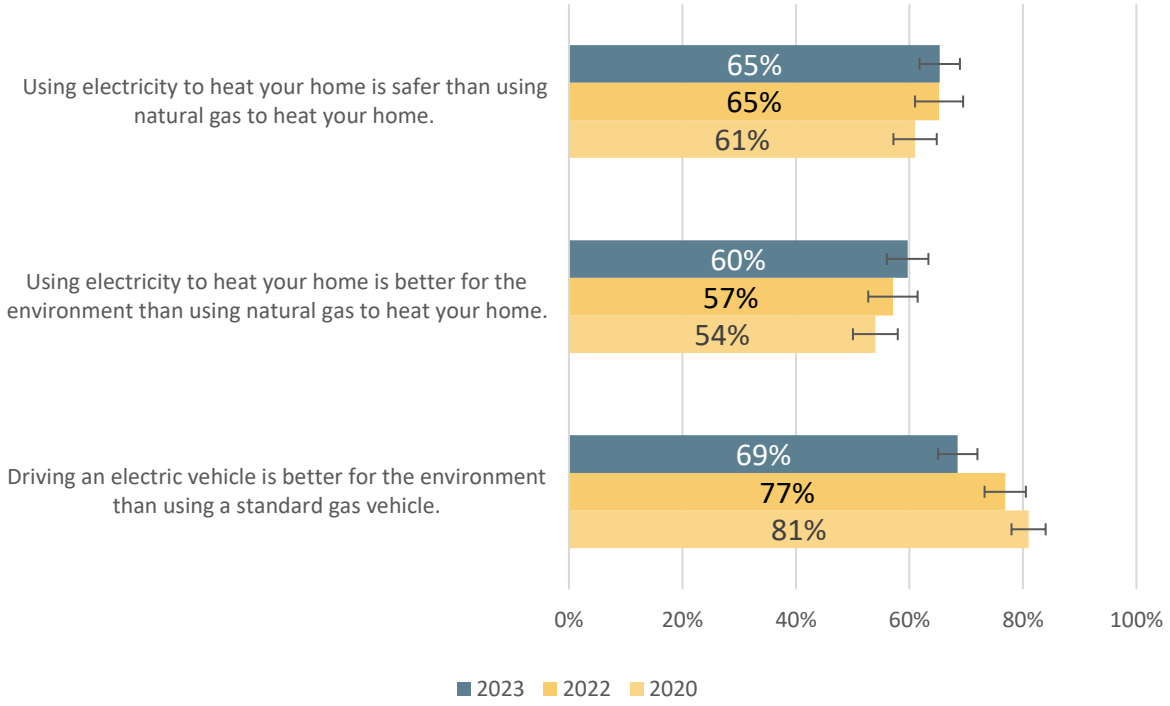
Figure 1-7 Climate Change and Fossil Fuel Use Attitude Trends



(Average ratings on 0 - 10 scale)

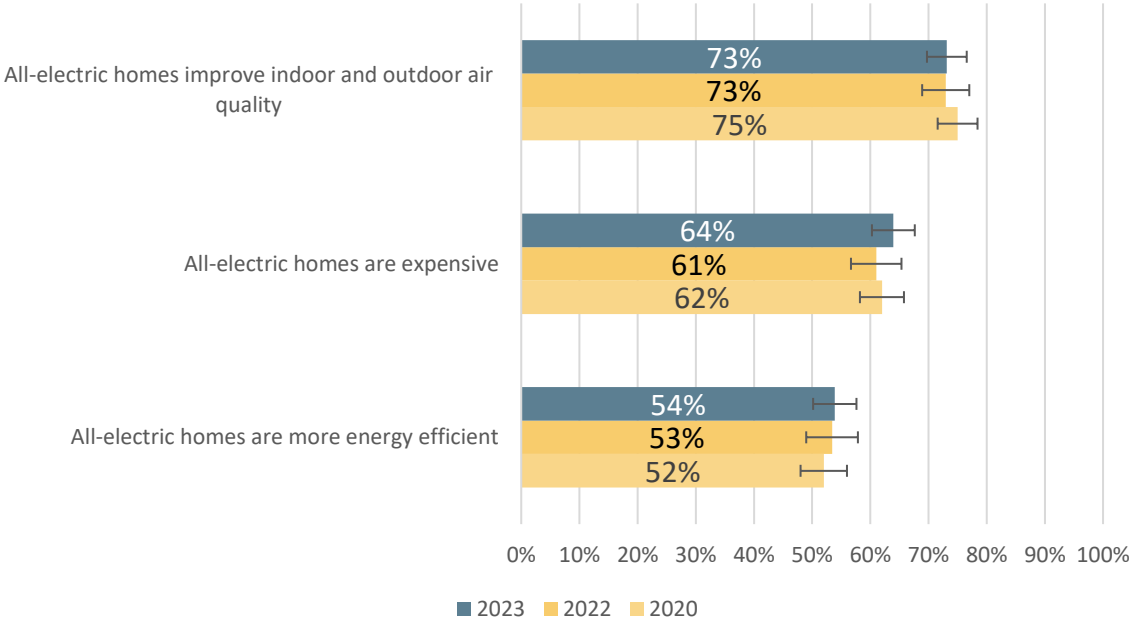
Attitudes toward electric homes and vehicles were similar in 2023. Figure 1-8 compares 2020 -2023 responses. The results suggest that fewer customers believe an electric vehicle is better for the environment than a gas vehicle in 2023 than in 2022.

Figure 1-8 Attitudes towards Electric Homes and Vehicles Trends



Views of all-electric homes were unchanged in 2020 through 2023. Figure 1-9 compares the responses from the three surveys. None of the differences were statistically significant.

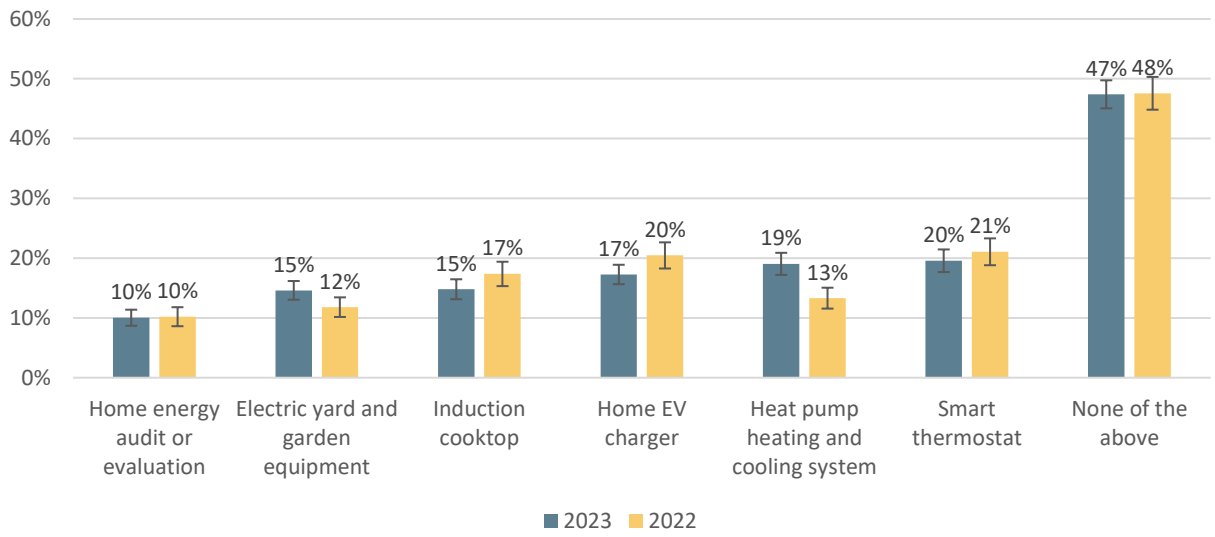
Figure 1-9 2020 and 2022 Views of All Electric Homes



1.1.4 Likely Purchases

Figure 1-10 presents the 2022 and 2023 trends in likely purchases. As shown, the likely purchases were generally consistent across product categories, except for an increase in interest in heat pumps. The interest in heat pumps may be driven by additional awareness of the Inflation Reduction Act and the incentives provided for heat pumps.

Figure 1-10 Trends in Likely Purchases



1.1.5 Awareness of Specific Technologies

Figure 1-11 through Figure 1-13 summarize trends in awareness of EVs, heat pump water heaters, and solar and battery. Overall, differences from 2022 to 2023 were within the range of sampling error.

Figure 1-11 Trends in Awareness of EVs

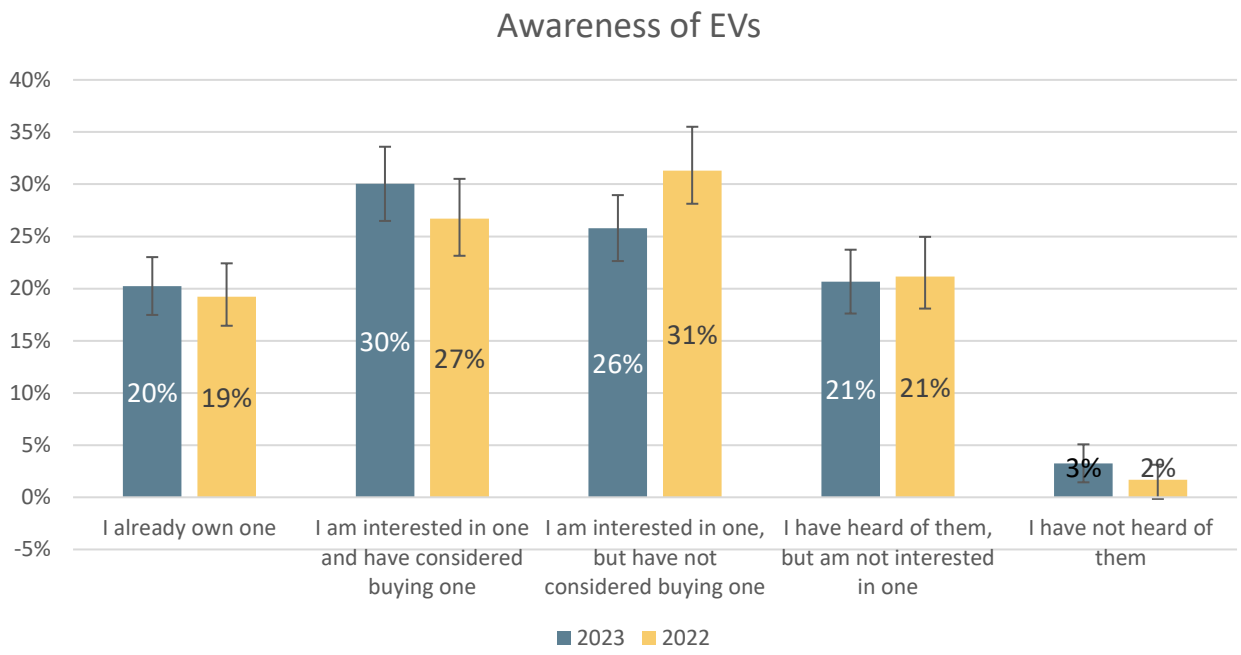


Figure 1-12 Trends in Awareness of Heat Pump Water Heater

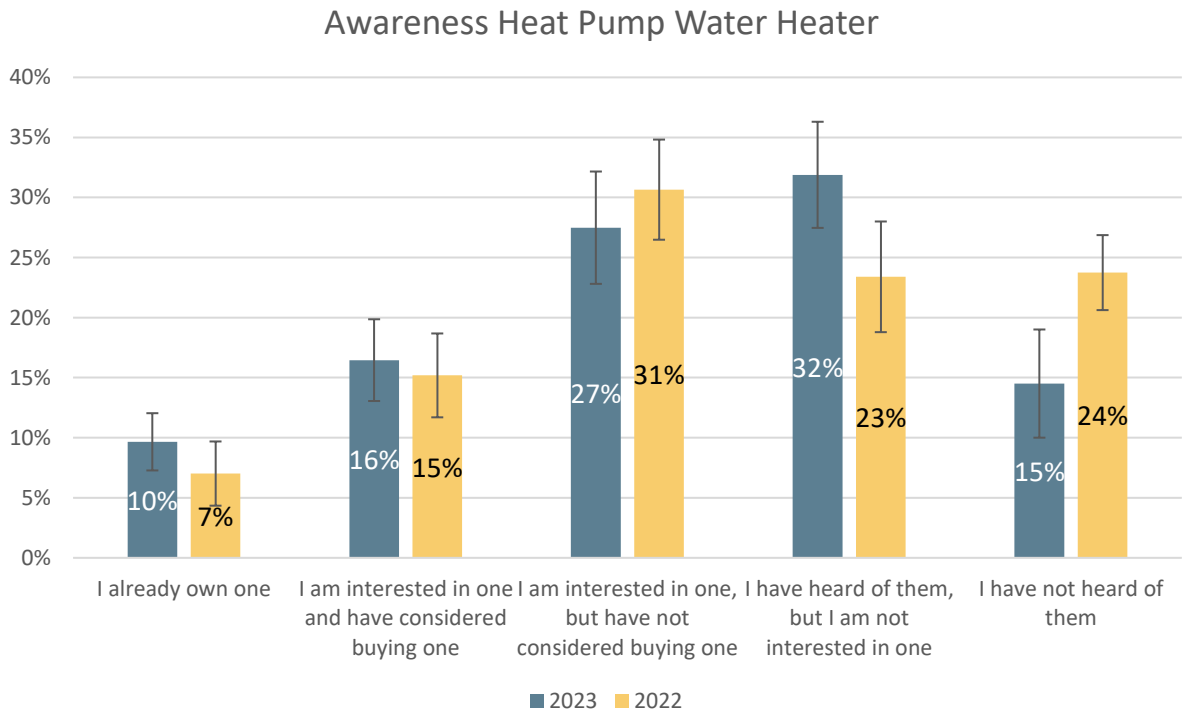
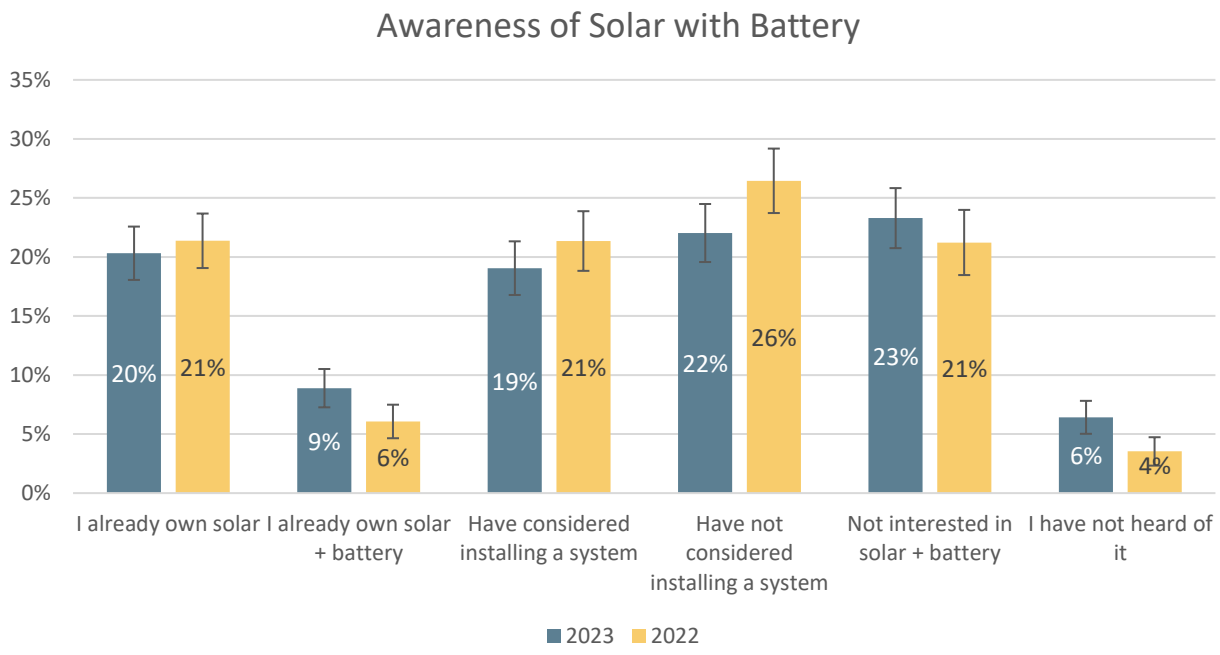


Figure 1-13 Trends in Awareness of Solar with Battery



1.2 Survey Response and Potential Bias

The overall response rate was 1.7%. While low, the response rate was considerably better than the response rate for 2022, likely owing to the mailing of the postal letter. Response rates, and their decline[2], have been a concern for survey researchers as they present the risk of non-response bias. However, research on survey response has found that the relationship between survey non-response and bias is complex and that there is no necessary connection between the two. Moreover, other factors such as using multiple recruitment approaches and methods can both reduce non-response bias by reaching or appealing to different segments of the population and increase response rates overall. To this end, the data collection effort for this study used best practice approaches to reduce non-response bias and increase survey response.[3]

- The sample was stratified by the Socio-Economic Vulnerability Index quartile to aid in collecting data from a diverse range of SVCE customers.
- Multiple modes were used to recruit participants, both postal mail and email were used to solicit responses. Multiple-modes is a form of varying recruitment and allowed ADM to target responses from customers who did not have email address information.

[2] For example, the Pew Research Center reports that response rates have fallen from 28% in 2001 to 6% in 2018. https://www.pewresearch.org/fact-tank/2019/02/27/response-rates-in-telephone-surveys-have-resumed-their-decline/

[3] Czajka, John L. and Beyler, Amy, Declining Response Rates in Federal Surveys: Trends and Implications (Background Paper), Mathematica Policy Research Reports, Mathematica Policy Research.

- Incentives were provided to complete the survey. Providing incentives has been found to reduce nonresponse bias.[4]

To assess the degree to which non-response bias may have affected the result of the survey, Section 2.3 compares the characteristics of the 2023 survey sample to population demographics taken from the American Community Survey and to the 2020 and 2022 survey samples. In comparison to the population, the 2023 survey respondents were:

- More likely to identify as non-Hispanic (89% vs. 80%)
- More likely to identify as Chinese or Taiwanese (23% vs. 12%)
- And a larger share made more than $200,000 a year (39% vs. 32%), while a smaller share made less than $40,000 (10% vs. 14%).

As shown in Section 2.3, the respondent characteristics were highly similar to the population as a whole for several characteristics:

- Home ownership (61% vs. 59%)
- Live in a single-family detached home (56% vs. 57%)
- Live in an apartment (29% vs. 30%)

Nonetheless, some findings presented in this report suggest there's an indication of potential bias in the responses. Notably, the reported rates of solar panel ownership (20% without battery storage, 9% with it) and heat pump water heater ownership (10%) are higher than expected. The solar responses imply a higher likelihood of solar system ownership among survey respondents compared to the general population. The heat pump water heater responses may reflect sample bias, or possibly a misunderstanding of the question, as respondents may not know what a heat pump water heater is but favorably view "heat pumps" in general. Also, the noted EV ownership rate of 20% exceeds the Santa Clara County's EV registration rate of 7.7%.[5] However, these statistics are not directly comparable: the 20% figure represents the percentage of households with an EV, likely a higher figure than the overall share of EV vehicles.

[4] Ibid.
[5] https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/light-duty-vehicle (Retrieved 10/31/2023).

2 Methodology

2.1 Sample Design

The sample frame for the study was based on residential customer records provided by SVCE and was stratified by Socio-Economic Vulnerability Index (SEVI) quartile. SEVI is a measure of the relative socioeconomic characteristics of communities based on poverty, unemployment, educational attainment, linguistic isolation, and percent of income spent on housing. The SEVI quartile assignment was provided by SVCE. ADM targeted completion of 600 customers surveys (150 per SEVI quartile).

Table 2-1 summarizes the sample frame. In total, SVCE provided records for 260,327 customers. Of these records, 7,747 did not have a SEVI quartile assigned to them and were dropped from the sample frame. Additionally, a manual review of customer contacts identified 7,747 records for which the customer's name was a nonresidential entity. ADM dropped these records from the sample frame as well.

Table 2-1 Summary of Sample Frame

SEVI Quartile	Total Records	Nonresidential Records	Remaining Records (Total Population)
1	57,674	1,117	56,557
2	67,418	1,687	65,731
3	74,745	2,869	71,876
4	51,857	1,713	50,144
Not listed	8,633	361	8,272
Total	260,327	7,747	252,580

2.2 Survey Administration

ADM administered the survey online and recruited customers using postal mail and email. The survey was presented in four different languages: English, Spanish, Mandarin and Vietnamese and fielded during the period between August 11, 2023 and September 22, 2023.

All customers contacted to complete the survey were contacted by postal mail. The letter sent was printed in the four languages and provided the contact a choice of accessing the survey using a QR code that encoded a unique link to the survey or by manually entering weblink into their browser and using an access code. For Wave 1, all contacts that had not completed the survey and had an email address available were sent one email inviting them to take the survey. The follow up email was written in the four languages. For Wave 2, a follow up email was sent to customers in SEVI 4 areas that had an email address to increase the overall response from this subgroup. However, none of these contacts completed the survey. A $10 incentive was offered for completing the survey.

The recruitment strategy for the 2023 survey differed significantly from that of 2022, employing postal mailing, with email follow up, instead of email and telephone outreach. Subsequent sections will elaborate on how this change affected response rates and sample demographics, but overall, the

approach improved sample response and the demographic characteristics of the sample. Specifically, the 2023 survey yielded a 1.7% response rate, which is significantly higher than the 0.5% rate from the 2022 survey. Additionally, the 2023 sample exhibited a home ownership rate more closely aligned with that of the general population compared to the 2022 sample.

Furthermore, the use of letter mailing as a recruitment strategy has the added benefit of reaching customers who may not have an email address, thus broadening the scope of potential respondents. Traditional telephone surveying faces hurdles, as declining response rates and aversion to unknown calls have become significant challenges. [6]

Overall, the change in methodology for the 2023 survey appears to have reduced survey response bias, contributing to a more representative sample and improved response rates, although some responses may indicate some bias in who took the survey (see Section 1.2)

2.2.1 Summary of Response

Table 2-2 summarizes the response to the survey. The overall completion rate was 1.7%, a higher rate than the 0.5% completion rate obtained for the 2022 survey.

Table 2-2 Summary of Survey Response

Wave	Contacted by Mail	Responded to Mail Recruitment	Contacted by Email	Responded to Email Recruitment	Total Completed Surveys	Completion Rate
Wave 1	20,000	323	9,540	50	373	1.9%
Wave 2	19,065	296	941	0	296	1.6%
Total	39,065	619	10,481	50	669	1.7%

The sample of respondents included speakers of three of the four languages it was administered in (none of the respondents took the survey in Vietnamese, see Table 2-3).

Table 2-3 Language Survey was Completed In

Survey Language	Survey Completions	Percent of Completions
English	631	94%
Spanish	22	3%

[6] Pew Research Center (2019). Response rates in telephone surveys have resumed their decline. https://pewrsr.ch/2XqxgTT

Pew Research Center (2020). Most Americans don't answer cellphone calls from unknown numbers. https://pewrsr.ch/3oSYNdU

Chinese	16	2%
Vietnamese	0	0%
Total	**669**	**100%**

2.3 Customer Population and Survey Sample

This section presents summary information on the characteristics of the sample and population. For comparison purposes, characteristics of the 2020, 2022, and 2023 populations are included as well.[7]

2.3.1 SEVI Quartile

The table below summarizes the number of survey responses obtained by SEVI quartile.

Table 2-4 Number of Survey Responses

SEVI Quartile	Total Residential Customers - 2023	Number of Responses - 2023	Number of Responses - 2022	Number of Responses - 2020
SEVI 1	56,557	161	117	167
SEVI 2	65,731	200	130	169
SEVI 3	71,876	186	129	163
SEVI 4	50,144	122	105	154
Total	244,308	669	481	653

2.3.2 Geographic Distribution of Respondents

Figure 2-1 displays the distribution of customers as compared to survey respondents. As shown the sample was generally representative of the geographic distribution of customers.

[7] Population characteristics are based on the Public Use Microdata Sample person and household files for the 2017 – 2021 American Community Survey (ACS) 5-Year estimates. The ACS uses Public Use Microdata Areas (PUMAs) as the geographic identifier. ADM used the Missouri Census Data Center Geocorr tool to map PUMA responses to zip codes served by SVCE and taken from the customer data file provided to develop the survey sample frame.

Figure 2-1 Distribution of Customers Compared to Distribution of Survey Respondents

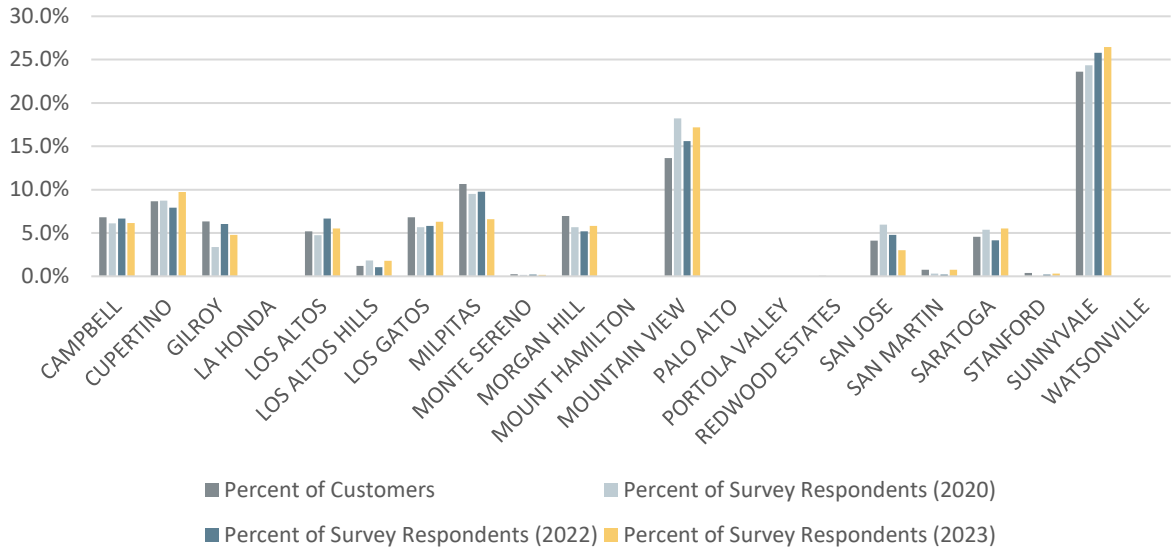


Table 2-5 summarizes the distribution of customers by city and SEVI quartile and Table 2-6 summarizes the distribution of survey respondents by city and SEVI quartile.

Table 2-5 Distribution of SVCE Customers by City and SEVI Quartile

Premise City	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Total
CAMPBELL	40%	19%	37%	3%	16,595
CUPERTINO	3%	65%	32%	0%	21,190
GILROY	20%	7%	22%	52%	15,499
LA HONDA	100%	0%	0%	0%	4
LOS ALTOS	97%	1%	2%	0%	12,627
LOS ALTOS HILLS	100%	0%	0%	0%	2,896
LOS GATOS	83%	12%	5%	0%	16,674
MILPITAS	0%	7%	45%	49%	26,021
MONTE SERENO	100%	0%	0%	0%	626
MORGAN HILL	0%	49%	21%	30%	17,040
MOUNT HAMILTON	0%	50%	0%	50%	4
MOUNTAIN VIEW	19%	32%	29%	19%	33,310
PALO ALTO	100%	0%	0%	0%	2
PORTOLA VALLEY	100%	0%	0%	0%	32
REDWOOD ESTATES	100%	0%	0%	0%	171
SAN JOSE	3%	20%	26%	51%	10,071
SAN MARTIN	0%	0%	98%	1%	1,810

Premise City	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Total
SARATOGA	45%	55%	0%	0%	11,140
STANFORD	93%	0%	0%	7%	921
SUNNYVALE	7%	29%	44%	21%	57,643
WATSONVILLE	0%	100%	0%	0%	32

Table 2-6 Distribution of Survey Respondents by City and SEVI Quartile

Premise City	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Total
CAMPBELL	41%	12%	41%	5%	41
CUPERTINO	0%	58%	42%	0%	65
GILROY	16%	3%	9%	72%	32
LA HONDA	0%	0%	0%	0%	0
LOS ALTOS	95%	3%	3%	0%	37
LOS ALTOS HILLS	100%	0%	0%	0%	12
LOS GATOS	83%	12%	5%	0%	42
MILPITAS	0%	14%	25%	61%	44
MONTE SERENO	100%	0%	0%	0%	1
MORGAN HILL	0%	59%	15%	26%	39
MOUNT HAMILTON	0%	0%	0%	0%	0
MOUNTAIN VIEW	21%	35%	29%	16%	115
PALO ALTO	0%	0%	0%	0%	0
PORTOLA VALLEY	0%	0%	0%	0%	0
REDWOOD ESTATES	0%	0%	0%	0%	0
SAN JOSE	0%	25%	20%	55%	20
SAN MARTIN	0%	0%	100%	0%	5
SARATOGA	38%	62%	0%	0%	37
STANFORD	100%	0%	0%	0%	2
SUNNYVALE	9%	30%	44%	18%	177
WATSONVILLE	0%	0%	0%	0%	0

2.3.3 Home Demographic Characteristics

Table 2-7 through Table 2-11 compare the population estimate to the 2023, 2022 and 2020 unweighted sample estimates on home and demographic characteristics. Overall, the samples in both years are similar and align with the population estimates. That said, the samples differ from the population in the following ways.

- Renters were better represented in the 2023 survey. The 39% of the sample that did not own their home was similar to the population estimate of 41% and higher than the 27% of the respondents found to not own their home in the 2022 survey.

- The home types for the sample were very similar to the population estimates for the home types.
- As in past years, Hispanics were underrepresented in the 2023 sample.
- Respondents who identified as Chinese or Taiwanese were over-represented in the 2022 sample by 16 percentage points. This is likely related to the finding that seven percent of the surveys were completed in Chinese.

Table 2-7 Home Ownership Sample and Population Comparison

Home Ownership	2021 American Community Survey 5-Year Estimate	Unweighted 2023 Sample	Unweighted 2022 Sample	Unweighted 2020 Sample
Own	59%	61%	73%	65%
Do not own	41%	39%	27%	35%

Table 2-8 Home Type Sample and Population Comparison

Home Type	2021 American Community Survey 5-Year Estimate	Unweighted 2023 Sample	Unweighted 2022 Sample	Unweighted 2020 Sample
Mobile home	3%	1%	2%	1%
Single family detached	57%	56%	61%	59%
Single family attached	11%	15%	15%	13%
Apartment	30%	29%	22%	25%

Table 2-9 Hispanic Identity Sample and Population Comparison

Hispanic Identity	2021 American Community Survey 5-Year Estimate	Unweighted 2023 Sample	Unweighted 2022 Sample	Unweighted 2020 Sample
Not Hispanic	80%	89%	91%	89%
Hispanic	20%	11%	9%	11%

Table 2-10 Race and Ethnic Sample and Population Comparison

Race/Ethnic Identification	2021 American Community Survey 5-Year Estimate	Unweighted 2023 Sample	Unweighted 2022 Sample	Unweighted 2020 Sample
White	48%	54%	48%	46%
Chinese/Taiwanese	12%	23%	27%	14%
Vietnamese	5%	2%	3%	2%
Indian/Pakistani	9%	7%	6%	7%
Other Asian	8%	5%	4%	3%

Other	18%	7%	12%	28%

Table 2-11 Income Sample and Population Comparison

Income	2021 American Community Survey 5-Year Estimate	Unweighted 2023 Sample	Unweighted 2022 Sample	Unweighted 2020 Sample
< 40,000	14%	10%	10%	12%
40,001 - 65,001	10%	8%	9%	8%
65,001 - 95,000	12%	11%	10%	11%
95,001 - 150,000	19%	18%	19%	18%
150,001 - 200,000	13%	15%	17%	16%
>200,000	32%	39%	36%	35%

2.4 Development of Sample Weights

ADM weighted the survey data to develop overall customer statistics. A two-step procedure was used to develop the sample weights. In the first step, ADM calculated the normalized design weights for each SEVI quartile. The calculation of the design weights was as follows:

$$W_N = {}^{N_h}/_{n_h} * {}^{n}/_{N}$$

Where,

W_N is the normalized design weight,

N_h is the number of customers for the SEVI quartile,

n_h is the number of customers for the SEVI quartile that completed the survey,

n is the total number of customers that completed the survey, and

N is the total number of customers in the sample frame.

The second step in calculating the response weights was to apply a poststratification adjustment based on respondent reported demographics and population totals developed from the American Community Survey 2021 five-year estimates. The estimates were based on zip codes served by SVCE.

The specific characteristics included in the development of post-stratification weights were:

- Hispanic identification,
- Income,
- Home ownership,
- Race/Ethnicity, and
- Household size.

Because the poststratification adjustment for population targets that comprise a small share of the population can be unstable, we grouped race/ethnicity, and household size into smaller sets of categories that comprised at least 5% of the SVCE population.

ADM used ranking to develop the poststratification weights. This procedure iteratively adjusts the design weights so that they match the selected population totals.

3 Summary Findings

The following presents findings from the third awareness survey administered to Silicon Valley Clean Energy (SVCE) customers during the period between August 11, 2023 and September 22, 2023.

The results presented by SEVI quartile are unweighted responses. The weighted average presents summary statistics using the weights developed as described in section 2.4.

For the comparisons of SEVI groups, ADM performed tests of statistical significance to determine if observed differences in averages were due to sampling variation or if they reflected differences in the SEVI populations.[8] Cases where the differences were statistically different are noted with an asterisk in the tables below and discussed in the text.

3.1 Awareness of SVCE

Unaided recall of SVCE was fairly low. Relatively few SVCE customers cited SVCE as the provider of their electricity. Seven percent cited SVCE alone and another 3% cited SVCE and PG&E. Some customers provided names that were similar to SVCE but not exactly correct, for example, "third party threw PG&E." Two-percent of respondents cited these alone or in conjunction with PG&E.

Table 3-1Unaided Recall of Electricity Supplier

Metric	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
PG&E	87%	89%	89%	89%	88%
SVCE	8%	7%	8%	7%	7%
PG&E/SVCE	3%	3%	3%	2%	3%
Renewable provider	0%	2%	0%	0%	1%
Other	1%	0%	0%	2%	1%
PG&E/SVCE-Close	1%	0%	1%	0%	<1%
SVCE-Close	0%	1%	0%	1%	<1%

Note: SVCE-close refers to mentions of names that were similar to SVCE but not accurate. For example, "third party threw PG&E."

Respondents who mentioned PG&E but did not mention SVCE (n = 590) were asked a follow up question on who provides their electricity generation service. Most (70%) did not know, but 18% cited SVCE and another 2% made reference to an SVCE-like name.

[8] Either a chi-square test of independence (for categorical data), one-way analysis of variance (ANOVA) (for continuous data) used to test for statistically significant differences in average responses across SEVI groups.

Table 3-2 Who Provides Your Electricity Generation Service

Metric	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Does not know who provides electricity generation service	64%	68%	68%	72%	70%
SVCE	23%	20%	22%	16%	18%
PG&E	11%	11%	8%	7%	9%
SVCE-Close	3%	1%	1%	3%	2%
Other	0%	1%	1%	2%	1%

Once prompted with the name SVCE, awareness was much higher. A majority of customers have heard of SVCE (73%), although less than half (44%) knew that SVCE provides the electricity that they use.

The majority of customers believed that SVCE is a community-owned not-for-profit (66%), that its rates are lower than PG&E (63%), and that it provides electricity exclusively from renewable and clean energy sources (89%). Few customers (26%) believed SVCE to be a part of PG&E.

There were two differences in responses by SEVI quartile. Customers in SEVI 1 were less likely to believe that SVCE had lower rates than PG&E and customers in SEVI 4 were more likely to believe that SV Clean Energy is a company, division, or branch of PG&E.

Table 3-3 Awareness and Understanding of SVCE

Metric	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Heard of Silicon Valley Clean Energy before this survey	76%	75%	74%	76%	73%
Knew that SV Clean Energy provides the electricity that they use	54%	55%	48%	48%	50%
SV Clean Energy is a community-owned, not-for-profit, public agency	71%	70%	66%	60%	66%
SV Clean Energy electricity rates are lower than PG&E rates*	52%	61%	68%	66%	63%
SV Clean Energy provides electricity exclusively from renewable and clean energy sources	92%	90%	91%	85%	89%
SV Clean Energy is a company, division, or branch of PG&E*	17%	23%	23%	36%	26%

*Indicates statistically significant difference across all groups at the p < .05 level.

Overall, the understanding and awareness metrics were similar in 2023 as compared to 2022 and 2020 (see Table 3-4). A larger share of customers believed that SVCE provides electricity exclusively from

renewable and clean energy sources in 2023 than in 2022, other results for 2023 were consistent with the findings from past years.

Table 3-4 Awareness Trends

Metric	2023 Weighted Average	2022 Weighted Average	2020 Weighted Average
Heard of Silicon Valley Clean Energy before this survey	73%	73%	70%
Knew that SV Clean Energy provides the electricity that they use	50%	44%	59%
SV Clean Energy is a community-owned, not-for-profit, public agency	66%	69%	72%
SV Clean Energy electricity rates are lower than PG&E rates	63%	62%	65%
SV Clean Energy provides electricity exclusively from renewable and clean energy sources	89%	78%	86%
SV Clean Energy is a company, division, or branch of PG&E	26%	23%	24%

3.2 Communication Awareness and Preference

A moderate share of customers has seen the SVCE generation charge or recall getting email or postal mail communications. As shown below, 51% stated they have seen the SVCE generation charge and 33% received emails or postal mail from SV Clean Energy. The share that has seen the generation charge was comparable to the share who reported that in 2020 and 2022 (52% and 50%, respectively).

Table 3-5 SVCE Information Seen

Information Seen About SV Clean Energy	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Has seen the SV Clean Energy Electric Generation charge on electricity bill	57%	53%	51%	50%	51%
Received emails or postal mail from SV Clean Energy	32%	43%	33%	35%	33%

Table 3-6 Has seen the SVCE Generation Charge Trends

Has seen the SV Clean Energy Electric Generation charge on electricity bill	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
2023	57%	53%	51%	50%	51%
2022	56%	55%	49%	51%	50%
2020	57%	55%	53%	52%	52%

Customers prefer to receive SVCE communications via email (62%), followed by with their energy bills (53%) and by postal mail (48%). As shown in the table below, social media and traditional media advertisements were less frequently preferred. Note, percentages sum to more than 100% because respondents could select multiple options.

Table 3-7 Preferred Communication Modes

Preferred Mode of Communication	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Email	55%	54%	52%	50%	52%
With energy bill	59%	55%	56%	54%	53%
Postal mail	50%	47%	53%	44%	48%
Facebook post	3%	3%	7%	6%	5%
Local television station advertisement	5%	4%	6%	9%	6%
Nextdoor post	3%	5%	3%	2%	4%
Video streaming advertisement (such as YouTube or Hulu)	3%	8%	9%	7%	7%
Newspaper	7%	5%	8%	6%	6%
Radio advertisements	4%	4%	3%	7%	4%
Instagram post	1%	5%	5%	6%	4%
Twitter post	1%	2%	1%	0%	1%

3.3 Awareness of SVCE Programs

Forty-three percent of customers reported awareness of any of the listed programs and services offered by SVCE. Awareness was highest for efficient appliance rebates (36% aware) and lowest for the Education Fund grants and Empower Silicon Valley Competition (10%). Twelve percent of respondents were aware of the eHub online resource center and 5% were aware of the Don't Homecrastinate education campaign.

Awareness of the heat pump water heater rebate was statistically significant across SEVI quartiles, but there wasn't a clear interpretation of the pattern to be made. Those in SEVI 1 and SEVI 3 were less aware than those in SEVI 2 and SEVI 4.

Table 3-8 Awareness of Programs and Services

Metric	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Awareness of any program	42%	48%	43%	42%	43%
eHub, online resource center	9%	11%	13%	13%	12%
Rebates for efficient, electric appliances	36%	42%	35%	33%	36%
Heat Pump Water Heater rebate*	18%	25%	13%	23%	21%
GridShift EV Charging	14%	18%	15%	19%	16%
Education Fund grants or the Empower Silicon Valley Film Competition	7%	6%	10%	8%	10%
Don't Homecrastinate education campaign	3%	4%	4%	5%	5%

3.4 Use of SVCE Website

Approximately one-fifth of respondents (22%) had visited the SVCE website. This is the same share that reported visiting the website in 2022 (see Table 3-10). The most common reasons for visiting the website were to view electric rates (46%) or learn about efficient, electric appliances (44%, see Table 3-9).

Table 3-9 Use of SVCE Website

Metric	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Visited website	21%	24%	17%	23%	22%
Reason for visiting website					
Review electric rates	50%	47%	33%	50%	46%
Learn more about financial assistance programs	6%	13%	10%	14%	13%
Learn more about electric vehicles	16%	26%	23%	32%	27%
Learn more about solar and batteries	28%	23%	27%	25%	26%
Learn more about efficient, electric appliances	38%	53%	40%	43%	44%
Another reason	9%	26%	23%	21%	23%

Table 3-10 Visited Website Trends

Visited Website	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
2023	21%	24%	17%	23%	22%
2022	34%	27%	19%	21%	22%
2020	25%	19%	10%	18%	14%

*Indicates statistically significant difference across all groups at the p < .05 level.

3.5 Attitudes towards Electrification and Climate

On average, customers displayed a moderate level of concern about their fossil fuel use. As shown the average ratings on the 0 – 10 scale were between 5.6 and 6.6. Overall, fossil fuel attitudes were similar to the findings of the 2020 and 2022 surveys.

Table 3-11 Fossil Fuel Attitudes

Fossil Fuel Attitude	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Extent to which feels personally responsible for climate change	6.6	6.7	6.6	6.7	6.6
Extent to which has thought about their fossil fuel use	6.8	6.9	6.0	6.2	6.3
Extent to which worried about our use of fossil fuels	5.5	5.7	5.5	5.6	5.6

Table 3-12 Fossil Fuel Attitude Trends

Fossil Fuel Attitude	2023 Weighted Average	2022 Weighted Average	2020 Weighted Average
Extent to which feels personally responsible for climate change	6.6	6.8	7.0
Extent to which has thought about their fossil fuel use	6.3	6.2	6.0
Extent to which worried about our use of fossil fuels	5.6	5.9	6.7

Most customers agreed that there were environmental and safety benefits to electrified heating and vehicles. Approximately two-thirds of respondents reported that they thought electric vehicles and heating were better for the environment and that electric heat was better for the home (see Table 3-13).

Table 3-14 presents results for the three surveys. Notably, the share of customers that believe driving electric vehicles is better for the environment has decreased, and this change is greater than would be expected because of sampling error.

Table 3-13 Electrification Attitudes

Strongly or somewhat agrees that…	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Driving an electric vehicle is better for the environment than using a standard gas vehicle.	69%	71%	69%	67%	69%
Using electricity to heat your home is better for the environment than using natural gas to heat your home.	56%	59%	61%	60%	60%
Using electricity to heat your home is safer than using natural gas to heat your home.	62%	70%	67%	61%	65%

Table 3-14 Electrification Attitude Trends

Strongly or somewhat agrees that…	2023 Weighted Average	2022 Weighted Average	2020 Weighted Average
Driving an electric vehicle is better for the environment than using a standard gas vehicle.	69%	77%	81%
Using electricity to heat your home is better for the environment than using natural gas to heat your home.	60%	57%	54%
Using electricity to heat your home is safer than using natural gas to heat your home.	65%	65%	61%

Beliefs about electric homes were generally positive and consistent across 2020 and 2022. A clear majority (73%) of customers believed that all-electric homes improve indoor and outdoor air quality, but they were split as to whether or not they were more energy efficient (54% thought they were). Sixty-four percent thought they were expensive.

Table 3-15 Beliefs about All Electric Homes

Beliefs about All-Electric Homes	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
All-electric homes are more energy efficient	53%	51%	53%	53%	54%
All-electric homes are expensive	66%	66%	67%	60%	64%
All-electric homes improve indoor and outdoor air quality	74%	72%	79%	71%	73%

Table 3-16 Beliefs about All Electric Homes Trends

Beliefs about All-Electric Homes	2023 Weighted Average	2022 Weighted Average	2020 Weighted Average
All-electric homes are more energy efficient	54%	53%	52%
All-electric homes are expensive	64%	61%	62%
All-electric homes improve indoor and outdoor air quality	73%	73%	75%

3.6 Purchasing Priorities and Likelihood of Purchases

Cost and health and safety were the most important factors considered when making purchases. Table 3-17 summarizes the average ranking of importance of four factors when making purchases. In the table, larger numbers indicate greater importance of the factor in decision. Cost and health and safety were most important.

Convenience and performance were less important for respondents in SEVI 4 than those in SEVI 1 or SEVI 2. Environmental impacts were least important and largely the same across groups.

Table 3-17 Ranked Importance

Average Rank	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Environmental impacts	1.8	1.9	2.0	2.0	2.0
Health and safety	2.7	2.8	2.7	2.8	2.7
Cost	2.7	2.6	2.8	2.9	2.8
Convenience/performance*	2.8	2.6	2.5	2.3	2.5

*Indicates statistically significant difference across all groups at the $p < .05$ level.
Note: Responses recoded so that factors ranked higher have larger values.

Smart thermostats, heat pump heating and cooling systems, and EV chargers were the three most commonly mentioned purchases. Nearly half of customers (47%) did not plan on purchasing any of the listed items in the next three years.

Table 3-19 shows the likelihood of purchases for renters and owners. Overall, owners were more likely to purchase one or more of the listed items and owners were more likely to purchase a heat pump system, an induction cooktop, or electric yard and garden equipment.

Table 3-18 Likely Purchases

Likely Purchases in the Next Three Years	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
None of these	45%	46%	50%	52%	47%
Smart thermostat	19%	18%	20%	19%	20%
Home energy audit or evaluation	10%	13%	8%	9%	10%
Induction cooktop	15%	13%	14%	14%	15%
Heat pump heating and cooling system	19%	23%	18%	13%	19%
Home EV charger	17%	19%	21%	18%	17%
Electric yard and garden equipment	16%	15%	18%	11%	15%

*Indicates statistically significant difference across all groups at the p < .05 level.

Table 3-19 Likely Purchases by Home Ownership

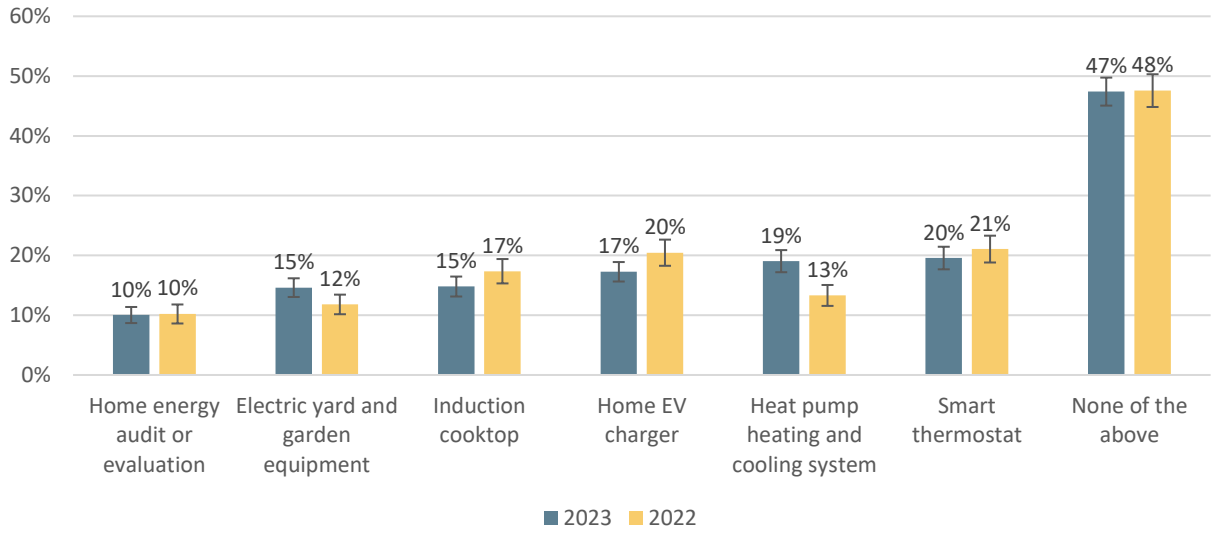
Likely Purchases in the Next Three Years	Owners	Renters
None of the above*	36%	63%
Smart thermostat	20%	19%
Home energy audit or evaluation	12%	7%
Induction cooktop*	19%	9%
Heat pump heating and cooling system*	25%	10%
Home EV charger	21%	12%
Electric yard and garden equipment*	18%	10%

*Indicates statistically significant difference across all groups at the p < .05 level.

3.6.1 2022-2023 Trends in Likely Purchases

Figure 3-1 presents the 2022 and 2023 trends in likely purchases. As shown, the likely purchases were generally consistent across product categories, except for an increase in interest in heat pumps. The interest in heat pumps may be driven by additional awareness of the Inflation Reduction Act and the incentives provided for heat pumps.

Figure 3-1 Trends in Likely Purchases



3.7 Awareness and Interest in Specific Technologies

Note: The ownership levels reported in this section are higher than the data SVCE has, so this information is still being reconciled and this report will be updated once the analysis is complete.

3.7.1 Electric Vehicles

Most customers own or have some level of interest in an electric vehicle. Twenty percent of respondents reported that they own an electric vehicle (compared to 19% in the 2020 survey). Additionally, 26% reported they have considered buying one and 30% said they were interested in one but had not considered buying.

Electric vehicle ownership rates in SEVI 4 are about one-third of the rates in SEVI 1.

Table 3-20 Awareness of Electric Vehicles

Awareness of Electric Vehicles*	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
I already own one	33%	26%	17%	13%	20%
I am interested in one and have considered buying one	21%	31%	31%	23%	26%
I am interested in one, but have not considered buying one	26%	23%	31%	33%	30%
I have heard of them, but am not interested in one	19%	19%	20%	25%	21%
I have not heard of them	0%	1%	1%	6%	3%

*Indicates statistically significant difference across all groups at the p < .05 level.

Friends or family, automotive media, and the news were the common sources of information on electric vehicles. Respondents in SEVI 4 areas were more likely to use social media than those in SEVI 1 areas.

Dealerships were a more common source of information for SEVI 1 customers and SEVI 4 customers were more likely to report they had not heard of EVs.

Six percent of respondents cited the SV Clean Energy website as a source of information on electric vehicles. More SEVI 4 customers were likely to use this as a source of information than those in SEVI 1 or SEVI 3.

Table 3-21 Sources Used to Learn about Electric Vehicles

Sources Used to Learn about Electric Vehicles	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
News	56%	55%	51%	50%	53%
Friends or family	55%	56%	48%	50%	52%
Automotive media such as magazines, websites, YouTube channels, television shows, or blogs	48%	48%	49%	44%	46%
Social media such as Facebook or Instagram*	11%	19%	23%	25%	21%
Dealerships*	22%	16%	11%	13%	15%
Other	14%	10%	10%	15%	11%
I have not used any sources of information to learn about electric vehicles.	10%	8%	8%	12%	11%
SV Clean Energy website (including the EV Assistant online tool)*	3%	7%	3%	10%	6%
Community workshops	4%	4%	5%	6%	4%
I have not heard of them*	0%	1%	1%	6%	3%

*Indicates statistically significant difference across all groups at the $p < .05$ level.

Nearly half of respondents (44%) were extremely or very likely to purchase an electric vehicle for their next vehicle. Twenty five percent were unlikely to purchase an electric vehicle.

Table 3-22 Likelihood of Purchasing Electric Vehicle for Next Vehicle Purchase

Likelihood of Choosing Electric Vehicle for Purchase	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Extremely or very likely	49%	46%	44%	40%	44%
Somewhat likely	27%	28%	33%	31%	31%
Not so / not at all likely	24%	26%	23%	29%	25%

Driving range, cost, and concerns about charging were the biggest barriers to purchasing an electric vehicle. Forty-nine percent of customers were concerned about the driving range of an electric vehicle and 48% mentioned the cost as a concern. Twenty-six percent were worried about not having a place to charge their vehicle at home. A notable difference between single and multifamily residents is that twice the share of those that lived multifamily (42%) reported that not having a place to charge it at home was a barrier than those in single family homes (20%, see Table 3-24)

Table 3-23 Barriers to Electric Vehicle Purchases

Barriers to Electric Vehicle Purchase	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Driving range of the vehicle	52%	55%	55%	49%	49%
Cost of purchasing or leasing an electric vehicle*	36%	43%	51%	49%	48%
Not knowing where I can charge it away from my home	33%	31%	26%	25%	27%
Not having a place to charge the vehicle at my home	25%	23%	32%	30%	26%
Cost of operating an electric vehicle including electricity costs	18%	16%	19%	23%	19%
Concern about the safety of electric vehicle battery systems	19%	15%	17%	26%	18%
Reliability of the technology	12%	15%	20%	15%	15%
Don't know enough information about electric vehicles	3%	4%	5%	9%	7%
Not enough models or styles to choose from	10%	8%	4%	8%	7%
Unable to find one for sale	0%	2%	1%	3%	2%
Other	18%	18%	12%	11%	14%

*Indicates statistically significant difference across all groups at the p < .05 level.

Table 3-24 Barriers by Multifamily and Single Family Home Type

Barrier	Single Family	Multifamily
Cost of purchasing or leasing an electric vehicle	44%	54%
Cost of operating an electric vehicle including electricity costs	22%	16%
Driving range of the vehicle*	54%	41%
Reliability of the technology	14%	14%
Don't know enough information about electric vehicles*	4%	12%
Not enough models or styles to choose from	8%	5%
Not having a place to charge the vehicle at my home*	20%	42%
Not knowing where I can charge it away from my home	28%	26%
Concern about the safety of electric vehicle battery systems	20%	15%
Unable to find one for sale	2%	3%
Other	16%	12%

*Indicates statistically significant difference across all groups at the p < .05 level.

3.7.2 Heat Pump Water Heaters[9]

Few homeowners have a heat pump water heater and a quarter have not heard of them. As shown below, 10% of homeowners have a heat pump water heater. The share that had considered buying one was 27%.

Table 3-25 Awareness of Heat Pump Water Heaters

Awareness of Efficient Heat Pump Water Heaters	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
I have heard of them, but am not interested in one	33%	26%	19%	46%	32%
I am interested in one, but have not considered buying one	26%	32%	30%	24%	27%
I am interested in one and have considered buying one	18%	19%	17%	7%	16%
I have not heard of them	14%	13%	22%	15%	15%
I already own one	9%	10%	12%	8%	10%

"Do it yourself" or home renovation media was the most common source of information on heat pump water heaters (cited by 28%) followed by the news and family and friends (each cited by 20%). Nine percent of customers cited the SVCE website and appliance assistance tool as a source for information.

Table 3-26 Sources of Information Used to Learn about Heat Pump Water Heaters

Sources Used to Learn about Heat Pump Water Heaters	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
I have not used any sources of information to learn about heat pump water heaters	25%	31%	27%	20%	26%
SV Clean Energy website (including the Appliances Assistant online tool)	6%	6%	7%	10%	9%
Friend or family	24%	24%	16%	16%	20%
Community workshops	2%	2%	1%	2%	1%
News	23%	24%	18%	20%	20%
Contractor	16%	10%	8%	10%	10%
Plumber	7%	6%	11%	14%	10%
Electrician	4%	9%	0%	4%	4%
Do it yourself or home renovation media such as magazines, websites, YouTube channels, television shows, or blogs	25%	33%	27%	24%	28%
Social media such as Facebook or Instagram	3%	6%	5%	16%	8%
Other	12%	10%	18%	18%	14%

[9] The responses to questions about heat pump water heaters are limited to respondents who stated they owned their own home (unweighted n =363).

Forty percent of customers reported that they were extremely or very likely to choose a heat pump water heater. Sixteen percent reported that they were not likely to choose one.

Cost of purchase and cost of electricity to heat water were the most commonly cited barriers. Fifty-seven percent cited the cost of installation and 37% cited the need to upgrade the electrical system as a barrier. Twenty-six percent cited not knowing enough information.

Table 3-27 Likelihood of Choosing a Heat Pump Water Heater

Likelihood of Choosing Heat Pump Water Heater	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Extremely or very likely	40%	44%	36%	28%	40%
Somewhat likely	42%	44%	43%	56%	43%
Not so / not at all likely	17%	13%	20%	17%	16%

Table 3-28 Barriers to Water Heater Purchase

Barriers to Heat Pump Water Heater Purchase	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Cost of purchase and installation	60%	60%	54%	55%	57%
Cost of electricity to heat water	27%	31%	26%	37%	30%
Reliability of the technology	9%	16%	19%	14%	14%
Don't know enough information	23%	21%	27%	33%	26%
Not enough available models	3%	5%	4%	2%	3%
Can't find a contractor who will install one	1%	3%	1%	0%	1%
Need to upgrade electric system such as add an outlet, upgrade electric panel	36%	36%	30%	35%	37%
Does not work for my property or I do not own my home	4%	6%	9%	14%	8%
Other	25%	19%	20%	16%	19%

3.7.3 Solar/Battery[10]

Awareness of solar with battery is high. Six percent of customers said that they had not heard of solar with battery. Twenty percent said they had solar without battery and 9% have battery with storage. Nineteen percent said they have considered installing a solar/battery system.

Table 3-29 Awareness of Solar Paired with Battery

Awareness of Rooftop Solar Paired with Battery Storage	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
I already own a rooftop solar system without battery storage	23%	22%	22%	26%	20%
I already own a rooftop solar system with battery storage	10%	9%	8%	7%	9%

[10] The responses to questions about solar and battery are limited to respondents who stated they owned their own home (unweighted n = 331).

I am interested in rooftop solar with battery and have considered installing a system	18%	22%	16%	17%	19%
I am interested in rooftop solar with battery, but have not considered installing a system	18%	25%	23%	19%	22%
I have heard of it, but I am not interested in rooftop solar with battery	24%	20%	24%	21%	23%
I have not heard of rooftop solar with battery	7%	2%	7%	10%	6%

News, friends and family, and "do it yourself" or home renovation media were the most common sources of information. Each of those were sources for about one-third of customers. In comparison, 9% of customers cited the SVCE website/solar+battery tool.

Table 3-30 Sources of Information on Solar and Battery Storage

Sources Used to Learn about Solar and Battery Storage	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
I have not used any sources of information to learn about solar and battery storage	8%	15%	15%	10%	11%
News	41%	36%	39%	35%	38%
Friend or family	38%	43%	35%	39%	37%
Do it yourself or home renovation media such as magazines, websites, YouTube channels, television shows, or blogs	38%	39%	36%	39%	37%
Other	13%	13%	17%	27%	16%
Contractor	22%	19%	12%	18%	16%
Social media such as Facebook or Instagram	8%	15%	18%	18%	16%
SV Clean Energy website (including the Solar + Battery Assistant online tool)	6%	7%	7%	14%	10%
Electrician	13%	8%	7%	16%	10%
Community workshops	3%	3%	1%	6%	3%
Plumber	0%	2%	0%	4%	1%

Twenty percent of customers with solar already said they were extremely or very likely to add battery storage, and 24% with a solar system were extremely or very likely to add battery to it. As shown in Table 3-33, cost of the systems were the biggest barriers to installation. A large share of respondents cited "other" factors. These comments were content-coded and summarized in Table 3-34. The most common of these comments were that solar did not make economic sense, that their roof was damaged or lacked space, they were just not interested, or faced restrictions due to their HOA or because they live in a condominium.

Table 3-31 Likelihood of Installing Solar with Battery

Likelihood of Installing Solar with Battery Storage	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Extremely or very likely	28%	21%	31%	19%	24%
Somewhat likely	16%	29%	25%	33%	27%

Not so / not at all likely	56%	50%	44%	48%	48%

Table 3-32 Likelihood of Adding Battery to Solar

Likelihood of Adding Battery to Solar	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Extremely or very likely	15%	26%	20%	20%	20%
Somewhat likely	44%	22%	50%	20%	39%
Not so / not at all likely	41%	52%	30%	60%	41%

Table 3-33 Barriers to Installation of Solar and Battery

Barriers to Solar and Battery	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Cost of purchase and installation of solar	60%	61%	68%	67%	64%
Cost of purchase and installation of battery	62%	66%	61%	64%	64%
Reliability of the technology	18%	16%	12%	21%	17%
Don't know enough information	13%	15%	15%	14%	15%
Does not work for my property or I do not own my home	19%	15%	14%	14%	15%
Other	26%	22%	18%	29%	21%

Table 3-34 Coded Open Ended "Other" Barriers

Barriers Mentioned	Number of Responses
Site conditions (not roofing)	12
HOA / Condo association approval needed	10
Not cost effective / do not need	7
Roof type or condition	5
Hassle	3
Concerns about contractors/providers	3
Appearance	3
Longevity of technology	3
Interconnect cost / lower net metering rate	3
Environmental concerns	2
Expect lower battery costs/better technology in future	1
Electrical upgrade	1
Other	14

3.7.4 Induction Cooktops

When asked what information on induction cooktops would be of interest, information on differences in the technology from gas ranges was the most desired information (18% were interested in this). However, 49% were not interested in a cooktop and 19% already owned one.

Table 3-35 Interest in Information on Induction Cooktops

Metric	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Not interested at this time/not thinking about buying an induction cooktop	54%	51%	47%	55%	49%
I already have one	18%	16%	20%	12%	19%
Induction cooktop user guides	15%	12%	11%	14%	13%
Information on differences between induction cooktops and gas ranges	16%	15%	18%	14%	18%
Information on environmental impact of induction cooktops	8%	12%	14%	8%	13%
Other	7%	6%	6%	7%	5%

3.7.5 2022- 2023 Trends in Awareness and Interest in Technologies

Figure 3-2 through Figure 3-4 summarize trends in awareness of EVs, heat pump water heaters, and solar and battery. Overall, differences from 2022 to 2023 were within the range of sampling error.

Figure 3-2 Trends in Awareness of EVs

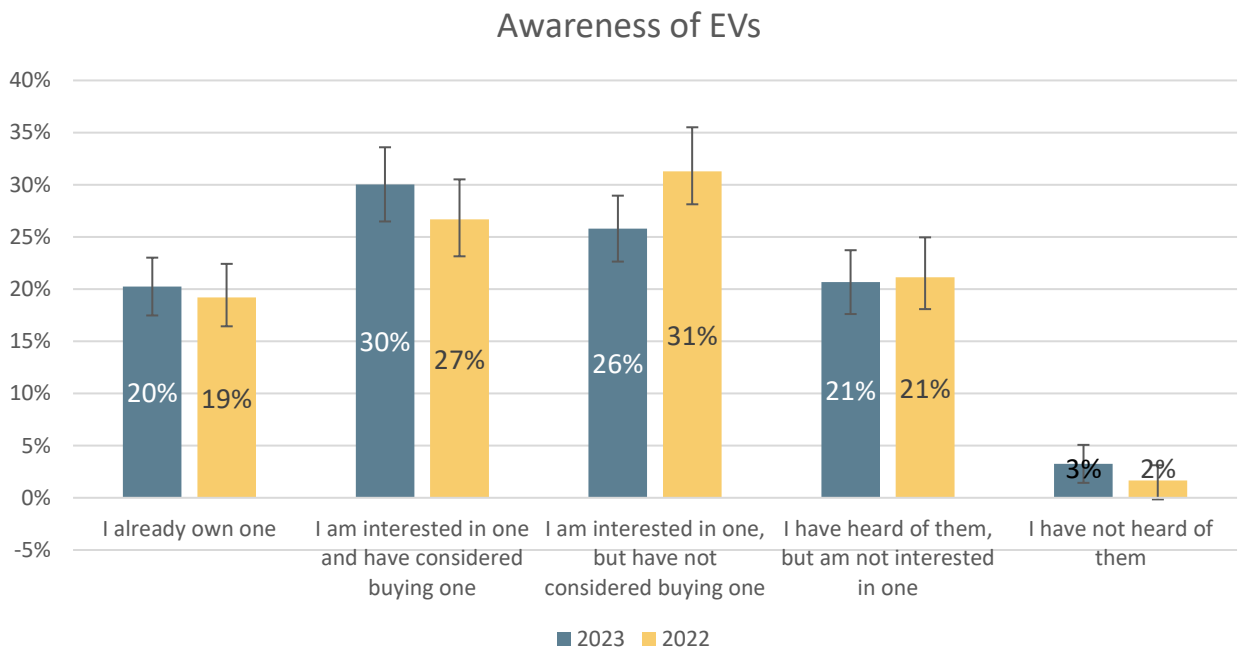


Figure 3-3 Trends in Awareness of Heat Pump Water Heater

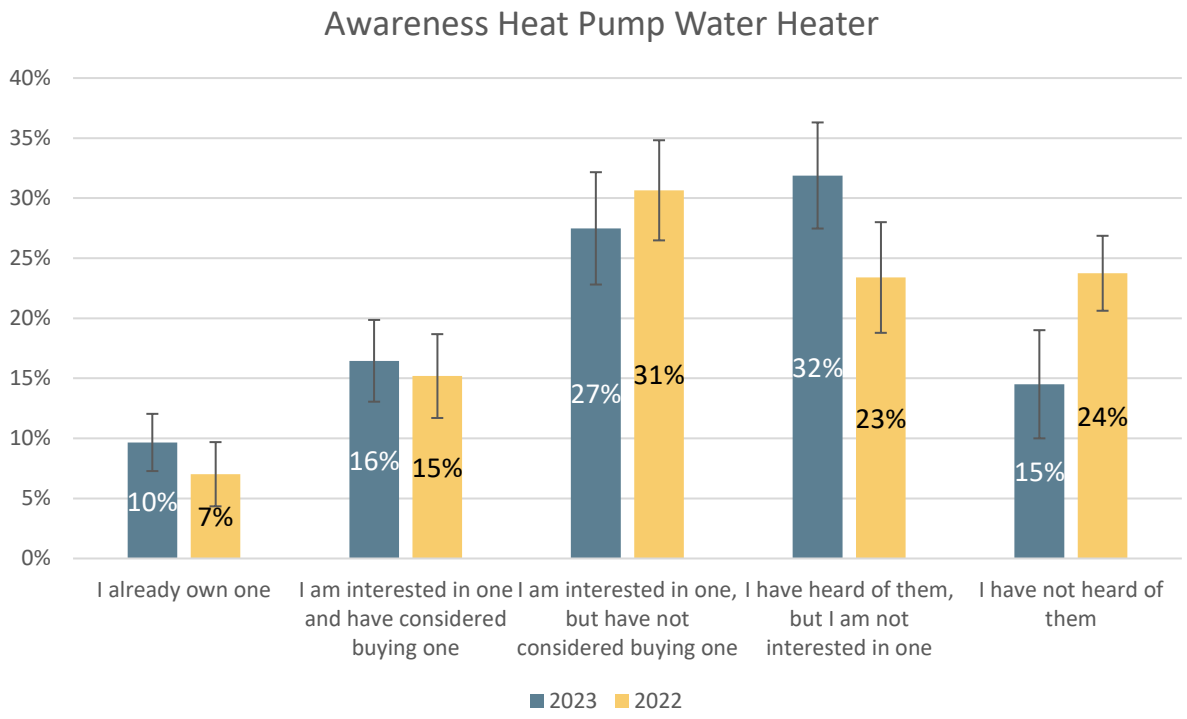
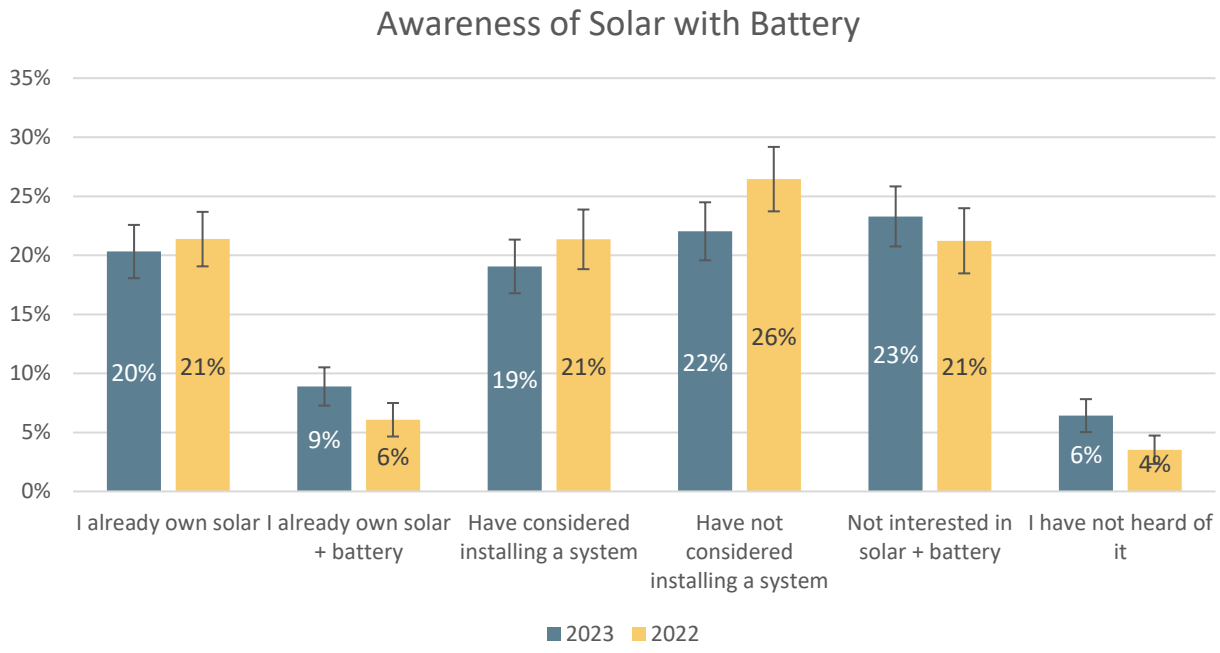


Figure 3-4 Trends in Awareness of Solar with Battery



3.8 Demographic Characteristics

The tables below summarize demographic characteristics.

Table 3-36 Number of People in the Household

Number of people in household*	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
1	11%	16%	23%	17%	20%
2	46%	46%	41%	36%	30%
3	20%	19%	16%	18%	19%
4	15%	14%	10%	14%	18%
5	6%	5%	7%	11%	7%
6 or more	1%	1%	3%	5%	5%

Table 3-37 Language Spoken at Home

Languages spoken home*	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Only English is spoken*	69%	64%	56%	49%	58%
Spanish	8%	7%	6%	15%	12%
Mandarin	10%	12%	14%	11%	8%
Vietnamese *	1%	1%	1%	5%	4%
Tagalog	0%	2%	0%	1%	1%
Hindi	1%	4%	8%	5%	5%
Korean	1%	2%	2%	1%	2%
Japanese	3%	1%	4%	0%	2%
Other	13%	10%	17%	14%	13%
* Indicates statistically significant difference across all groups at the p < .05 level.					

Table 3-38 Race/Ethnicity

Race/Ethnicity*	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
White	63%	60%	43%	42%	49%
Japanese/Korean	13%	10%	15%	24%	17%
Chinese	17%	17%	24%	15%	12%
Indian/Pakistani	4%	8%	11%	10%	10%
Filipino	3%	4%	7%	2%	8%
Vietnamese	0%	1%	0%	8%	5%
Note: Race and ethnicity responses were recoded into the most prevalent groups in SVCE's service territory. The Other category includes response from those who indicated "Other," more than one category, and those from groups with smaller populations in the service territory.					

Table 3-39 Hispanic, Latino, or Spanish Origin

Hispanic, Latino, or Spanish origin	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Yes	6%	9%	8%	25%	22%
No	94%	91%	92%	75%	78%

Table 3-40 Income

Income*	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Less than $40,000	4%	8%	10%	20%	16%
Between $40,000 and $64,999	2%	6%	11%	12%	12%
Between $65,000 and $94,999	10%	8%	14%	12%	10%
Between $95,000 and $149,999	14%	22%	15%	18%	19%
Between $149,999 and $200,000	22%	13%	13%	14%	13%
Over $200,000	49%	43%	38%	24%	31%
*Indicates statistically significant difference across all groups at the $p < .05$ level.					

Table 3-41 Age

Age*	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
18-24	1%	3%	1%	3%	1%
25-34	9%	11%	24%	14%	13%
35-44	12%	17%	14%	27%	18%
45-54	14%	17%	18%	17%	18%
55-64	30%	17%	18%	16%	22%
65+	34%	34%	24%	23%	27%
*Indicates statistically significant difference across all groups at the p < .05 level.					

3.9 Home Characteristics

The tables below summarize home characteristics.

Table 3-42 Home Ownership

Home Ownership*	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Own	76%	66%	49%	48%	58%
Rent	24%	34%	51%	52%	42%
*Indicates statistically significant difference across all groups at the p < .05 level.					

Table 3-43 Internet Access

Internet Access	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Cellular plan for smartphone or other mobile device	95%	96%	93%	89%	92%
Home internet service such as cable, fiber optic, satellite, or DSL service installed in this household	97%	94%	94%	89%	91%

Table 3-44 Home Type

Home Type	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Manufactured home	1%	2%	0%	1%	2%
Single-family house detached from any other house	72%	57%	39%	50%	53%
Single family house attached to one or more other houses, for example, duplex, row house, or townhome	9%	16%	15%	19%	16%
Apartment in a building with 2 to 3 units	2%	3%	2%	6%	3%
Apartment in a building with 4 or more units	15%	19%	41%	23%	24%
Other [text box]	1%	3%	2%	2%	2%

*Indicates statistically significant difference across all groups at the p < .05 level

Table 3-45 Heating Fuel Type

Heating fuel*	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Natural gas	67%	67%	50%	56%	58%
Electricity	27%	31%	48%	40%	38%
Other	6%	2%	2%	4%	3%

Table 3-46 Water Heating Fuel

Water heating fuel	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Natural gas	86%	83%	70%	82%	81%
Electricity	8%	17%	30%	17%	18%
Other	5%	1%	0%	1%	2%

Table 3-47 Plug-In Vehicles

Metric	SEVI 1	SEVI 2	SEVI 3	SEVI 4	Weighted Average
Own or lease electric vehicle with a plug*	32%	24%	16%	16%	21%
A member of the household parks a vehicle, of any type, within about 20 feet of an electric outlet?*	70%	59%	50%	42%	54%

*Indicates statistically significant difference across all groups at the p < .05 level.

4 Appendix 1: Survey Instrument

Screening

1. Our records say that you live at [ADDRESS]. Is that your current address?

   1. Yes
   2. No

[Display if Q1 = 2]

2. What city do you live in?

   1. Campbell
   2. Cupertino
   3. Gilroy
   4. Los Altos
   5. Los Altos Hills
   6. Los Gatos
   7. Milpitas
   8. Monte Sereno
   9. Morgan Hill
   10. Mountain View
   11. Saratoga
   12. Sunnyvale
   13. Unincorporated Santa Clara County (including Alum Rock, Burbank, Cambrian Park, East Foothills, Lexington Hills, Loyola, San Martin, Fruitdale, and any other unincorporated location)
   14. None of the above **[Terminate survey: Display: Thank you for that information but you do not qualify for this survey.]**

SVCE Awareness

3. From whom do you currently purchase electricity?

[Display if (Q3 contains "PGE" or "PG&E" or "Pacific" or "Gas") and (Q1 does not contain "SVCE" or "Silicon" or "Valley" or "Clean", "SV")] [Select ignore case]

4. It seems like you mentioned PG&E. PG&E provides your electricity delivery service. Do you know who provides your electricity generation service?

   1. Yes (Who provides it?)
   2. No

5. One of the electricity providers in your region is Silicon Valley Clean Energy. Which of the following describes your awareness of Silicon Valley Clean Energy?

   1. You have heard of Silicon Valley Clean Energy before this survey
   2. This is the first time you have heard of Silicon Valley Clean Energy

6. Which of the following statements about Silicon Valley Clean Energy, also known as SV Clean Energy, are true or false. Your best guess is fine.

[Response options: 1 = True, 2 = False]

1. SV Clean Energy is a community-owned, not-for-profit, public agency
2. SV Clean Energy electricity rates are lower than PG&E rates
3. SV Clean Energy provides electricity from renewable and clean energy sources
4. SV Clean Energy is a company, division, or branch of PG&E

7. You live in a community that SV Clean Energy provides electricity for. SV Clean Energy works with PG&E to provide your electricity service and you receive a monthly bill from PG&E for your electricity use.

   Have you seen the SV Clean Energy Electric Generation charge on your electricity bill?
   1. Yes
   2. No or not sure

8. Before today, did you know that SV Clean Energy provides the electricity that you use?

   1. Yes
   2. No

Program Awareness

9. Have you heard of the following SV Clean Energy offers and services?

[Response options: 1 = Yes, 2 = No]

1. eHub, online resource center
2. Rebates for efficient, electric appliances
3. FutureFit Homes rebates for heat pump water heaters and HVAC
4. GridShift EV Charging
5. Education Fund grants or the Empower Silicon Valley Film Competition
6. Don’t Homecrastinate education campaign

10. Have you received any emails or postal mail from SV Clean Energy?

    1. Yes
    2. No, not that you recall

11. If you have visited the SV Clean Energy website, by which means did to visit the site? (Select all that apply.)

[Multiselect. Randomize 2 – 7]

1. I have not visited the website **[Exclusive]**
2. Email
3. Online Ad

4. Video Ad
5. Online search
6. Social media
7. Community newsletter

[Display if Q11 <> 1]

12. What have you visited the SV Clean Energy website for? Please select all that apply. **[Multiselect]**

1. Review electric rates
2. Learn more about payment assistance programs
3. Learn more about electric vehicles
4. Learn more about solar and batteries
5. Learn more about efficient, electric appliances
6. Other (specify)

13. How would you prefer to get information from SV Clean Energy on clean energy products and services? Please select up to three from the list below.

[Multiselect. Limit to three selections. Randomize 1 -11]

1. Email
2. Postal mail
3. Radio advertisements
4. Local television station advertisement
5. Video streaming advertisement (such as YouTube or Hulu)
6. Newspaper
7. Facebook post
8. Twitter post
9. Instagram post
10. Nextdoor post
11. With energy bill
12. Some other way

[Display if Q13 = 12]

14. What other way do you think SV Clean Energy should use to inform you and your neighbors about the clean energy products and services they offer?

Electrification Awareness and Education

15. Please mark if your perspective is that the following statements about all-electric homes are true or false.

[Scale: 1 = True, 2 = False]

a) All-electric homes are more energy efficient
b) All-electric homes are expensive
c) All-electric homes improve indoor and outdoor air quality

16. The next few questions are about your attitudes towards fossil fuel use. Fossil fuels include coal, oil, natural gas, and propane.

17. Using a scale where 0 means **not at all** and 10 means **a great deal**, to what extent do you feel a personal responsibility to try to reduce the use of fossil fuels?

[Scale: 0 (Not at all) – 10 (A great deal)]

18. Using the same scale, how much have you thought about your use of fossil fuels before today?

[Scale: 0 (Not at all) – 10 (A great deal)]

19. Using a scale where 0 means **not at all worried** and 10 means **extremely worried**, how worried are you about your use of fossil fuels?

[Scale: 0 (Not at all worried) – 10 (Extremely worried)]

Agreement & Disagreement Statements

20. Please mark how much you agree or disagree with the following statements.

21. Driving an electric vehicle is better for the environment than operating a standard gas vehicle.
    1. Strongly agree
    2. Somewhat agree
    3. Neither agree nor disagree
    4. Somewhat disagree
    5. Strongly disagree

22. Using electricity to power your water heater is better for the environment than using natural gas.

    1. Strongly agree
    2. Somewhat agree
    3. Neither agree nor disagree
    4. Somewhat disagree
    5. Strongly disagree

23. Using an electric, induction cooktop is better for the environment and safer for the user than using a gas stove.

1. Strongly agree
2. Somewhat agree
3. Neither agree nor disagree
4. Somewhat disagree
5. Strongly disagree

24. Please rank the following considerations when making decisions about your home and the products you purchase in order from most important to least important.

    Click and drag the options to rank them

[Randomize]

1. Environmental impacts
2. Health and safety
3. Cost
4. Convenience/performance

Awareness and Education of Specific Technologies

25. What is your level of awareness of electric vehicles (this includes both battery electric and plug-in hybrid vehicles)?

    1. I already own one
    2. I am interested in one and have considered buying one
    3. I am interested in one, but have not considered buying one
    4. I have heard of them, but am not interested in one
    5. I have not heard of them **[Skip to Q29]**

26. What sources of information have you used to learn about electric vehicles? Please select all that apply.

[Multiselect. Randomize 1 -9]

1. I have not used any sources of information to learn about electric vehicles. **[Make exclusive]**
2. SV Clean Energy website (including the EV Assistant online tool)
3. Friend or family
4. Community workshops
5. News
6. Dealerships
7. Social media such as Facebook or Instagram
8. Automotive media such as magazines, websites, YouTube channels, television shows, or blogs
9. Other (specify)

27. How likely are you to choose an electric vehicle for your next vehicle purchase?

    1. Extremely likely
    2. Very likely
    3. Somewhat likely
    4. Not so likely
    5. Not at all likely

28. What are the biggest barriers you face to purchase or lease an electric vehicle? Please select up to three options.

[Multiselect. Limit to three selections. Randomize 1 -10]

    1. Cost of purchasing or leasing an electric vehicle
    2. Cost of operating an electric vehicle including electricity costs
    3. Driving range of the vehicle
    4. Reliability of the technology
    5. Don't know enough information about electric vehicles
    6. Not enough models or styles to choose from
    7. Not having a place to charge the vehicle at my home
    8. Not knowing where I can charge it away from my home
    9. Concern about the safety of electric vehicle battery systems
    10. Unable to find one for sale
    11. Other (specify)

29. What is your level of awareness of efficient, electric water heaters, also known as a heat pump water heater?

    1. I already own one
    2. I am interested in one and have considered buying one
    3. I am interested in one, but have not considered buying one
    4. I have heard of them, but I am not interested in one
    5. I have not heard of them **[Skip to Q33]**

30. What sources of information have you used to learn about heat pump water heaters? Please select all that apply.

[Multiselect. Randomize 2 -11]

    1. I have not used any sources of information to learn about heat pump water heaters. **[Make exclusive]**
    2. SV Clean Energy website (including the Appliances Assistant online tool)
    4. Friend or family
    5. Community workshops

6. News
7. Contractor
8. Plumber
9. Electrician
10. Do it yourself or home renovation media such as magazines, websites, YouTube channels, television shows, or blogs
11. Social media such as Facebook or Instagram
12. Other (specify)

[Display if Q29 = 2 or 3 (Asked if they are interested in a heat pump water heater)]

31. How likely are you to choose a heat pump water heater for your next water heater purchase?

1. Extremely likely
2. Very likely
3. Somewhat likely
4. Not so likely
5. Not at all likely

[Display if Q29 = 2 -4 (Is interested in a heat pump water heater or is not interested in one. Those who have a heat pump water heater or have not heard of them are not asked the question.)]

32. What are the biggest barriers you face to installing a heat pump water heater? Please select up to three options.

[Multiselect. Limit to three selections. Randomize 1 -8]

1. Cost of purchase and installation
2. Cost of electricity to heat water
3. Reliability of the technology
4. Don’t know enough information
5. Not enough available models
6. Can’t find a contractor who will install one
7. Need to upgrade electric system such as add an outlet, upgrade electric panel
8. Does not work for my property or I do not own my home
9. Other (Specify)

33. What is your level of awareness of rooftop solar paired with battery storage?

1. I already own a rooftop solar system **without** battery storage
2. I already own a rooftop solar system **with** battery storage
3. I am interested in rooftop solar with battery and have considered installing a system
4. I am interested in rooftop solar with battery, but have not considered installing a system
5. I have heard of it, but I am not interested in rooftop solar with battery
6. I have not heard of rooftop solar with battery **[Skip to Q38]S**

34. What sources of information have you used to learn about solar and battery storage? Please select all that apply.

[Multiselect. Randomize 2 -10]

1. I have not used any sources of information to learn about solar and battery storage. **[Make exclusive]**
2. SV Clean Energy website (including the Solar + Battery Assistant online tool)
3. Friend or family
4. Community workshops
5. News
6. Contractor
7. Plumber
8. Electrician
9. Do it yourself or home renovation media such as magazines, websites, YouTube channels, television shows, or blogs
10. Social media such as Facebook or Instagram
11. Other (Specify)

[Display if Q33 = 3 or 4 (is interested in solar and battery)]

35. How likely are you to install solar paired with battery storage in the next three years?

1. Extremely likely
2. Very likely
3. Somewhat likely
4. Not so likely
5. Not at all likely

[Display if Q33 = 1 (Has solar without battery storage)]?

36. How likely are you to add battery storage to your existing solar system in the next three years?

1. Extremely likely
2. Very likely
3. Somewhat likely
4. Not so likely
5. Not at all likely

[Display if Q33 = 1, 3, 4, or 5 (Has solar without battery, is interested in solar and battery system, or is not interested in solar and battery. Those who have solar and battery or who have not heard of solar and battery are not asked this question.)]

37. What are the biggest barriers you face for installing solar and a battery? Please select up to three options.

[Multiselect. Limit to three selections. Randomize 1 -5]

1. **[Display if Q33 = 3-5]** Cost of purchase and installation of solar
2. Cost of purchase and installation of battery
3. Reliability of the technology
4. Don't know enough information
5. Does not work for my property or I do not own my home
6. Other (specify)

38. Which purchases, if any, are you likely to make within the next three years (Select all that apply.)

[Multiselect. Randomize 1 -6]

1. Smart thermostat
2. Home energy audit or evaluation
3. Induction cooktop
4. Heat pump heating and cooling system
5. Home EV charger
6. Electric yard and garden equipment
7. None of the above **[Make exclusive]**

39. Induction cooktops are an efficient, electric cooking surface that uses a magnetic field to heat cookware.

    Thinking about buying an induction cooktop, which of the following would you be interested in? (Select all that apply.)

[Multiselect. Randomize 2 -5]

1. Not interested at this time/not thinking about buying an induction cooktop
2. I already have one
3. Induction cooktop user guides
4. Information on differences between induction cooktops and gas ranges
5. Information on environmental impact of induction cooktops
6. Other (please specify)

Demographics and Home Characteristics **[Do not display title]**

40. The next few questions are about you and your home. Like all of your responses, we will keep your answers confidential. However, you do not need to answer these questions if you do not want to.
41. Do you rent or own your home?

1. Own
2. Rent
98. Don't know
99. Prefer not to answer

42. Do you or any member of your household have access to the internet using a:

[Response options: 1 = Yes, 2 = No.]

a. Cellular data plan for a smartphone or other mobile device?
b. Home internet service such as cable, fiber optic, satellite, or DSL service installed in this household?

43. Which of the following best describes your home?

1. Manufactured home
2. Single-family house detached from any other house
3. Single family house attached to one or more other houses, for example, duplex, row house, or townhome
4. Apartment in a building with 2 to 3 units
5. Apartment in a building with 4 or more units
6. Other **[text box]**
98. Don't know
99. Prefer not to answer

44. What is the primary fuel type used to heat your home?

1. Natural gas
2. Electricity
3. Other **[text box]**
98. Don't know
99. Prefer not to answer

45. What is the primary fuel type to operate your water heater?

1. Natural gas
2. Electricity
3. Other **[text box]**
98. Don't know
99. Prefer not to answer

46. Do you or any member of your household own or lease an electric vehicle that has a plug?

1. Yes
2. No
98. Not sure
99. Prefer not to answer

47. Do you or any member of your household park a vehicle, of any type, within about 20 feet of an electric outlet?

1. Yes
2. No
98. Not sure

99. Prefer not to answer

48. Including yourself, how many people lived in your home in 2021?

1. 1 person
2. 2 people
3. 3 people
4. 4 people
5. 5 people
6. 6 people
7. 7 people
8. 8 or more people
98. Don't know
99. Prefer not to answer

49. What is your age group?

1. 18-24
2. 25-34
3. 35-44
4. 45-54
5. 55-64
6. 65+
99. Prefer not to answer

[Display if survey was administered in English]

50. What languages other than English are spoken at your home?

[Multiselect]

0. Only English is spoken **[Make exclusive]**
1. Spanish
2. Mandarin
3. Vietnamese
4. Tagalog
5. Hindi
6. Korean
7. Japanese
8. Other
99. Prefer not to answer **[Make exclusive]**

51. Which of the following categories best describes your total household income in 2021?

1. Less than $40,000
2. Between $40,000 and $64,999
3. Between $65,000 and $94,999

4. Between $95,000 and $149,999
5. Between $149,999 and $200,000
5. Over $200,000
98. Don't know
99. Prefer not to answer

52. Are you of Hispanic, Latino, or Spanish origin?

1. Yes
2. No
99. Prefer not to answer

53. What is your race or ethnicity? (Select all that apply)

[Multiselect]

1. White / Caucasian

2. Chinese
3. Vietnamese
4. Filipino
5. Japanese
6. Korean

7. Indian
8. Pakistani

9. Black / African American

10. Native American / Alaskan Native
11. Native Hawaiian
12. Other Pacific Islander

13. Other
99. Prefer not to answer **[Make exclusive]**

Thank You! That completes the survey.

5 Appendix 2: Letter Recruitment

ADM
ENERGY RESEARCH AND EVALUATION

Dear [FirstName],

I am contacting you on behalf of a local, public agency. You were selected to participate in a study on peoples' awareness of the energy and climate initiatives in Santa Clara County. We need your feedback to help shape the services and ways your energy provider communicates with its customers.

Can you help us by taking this survey? The survey takes about 10 to 15 minutes to complete, and your valuable feedback will be held in confidence. You can use any device with internet (phone, computer or tablet) to take the survey.

To thank you for your time **we are offering a $10 Tango Rewards e-gift card**, which can be redeemed online at a variety of retailers, to the first 150 customers that complete the survey. To participate and receive the gift card, you must complete the survey by [Date].

Scan with your phone camera or use the link and access code start.

[QR Code]

SURVEY LINK: admenergy.com/awareness.survey

SURVEY ACCESS CODE: [Access Code]

Thank you for your input!

ADM Associates

Estimado/a [FirstName]:

Me comunico con usted en nombre de una agencia pública local. Ha sido seleccionado/a para participar en un estudio sobre el conocimiento de las personas acerca de las iniciativas energéticas y climáticas en el condado de Santa Clara. Necesitamos sus comentarios para ayudar a dar forma a los servicios y los modos en que su proveedor de energía se comunica con sus clientes.

¿Puede ayudarnos respondiendo esta encuesta? Completar la encuesta le llevará entre 10 y 15 minutos, y se mantendrá la confidencialidad de sus valiosos comentarios. Puede usar cualquier dispositivo con Internet (teléfono, computadora o tableta) para responder la encuesta.

Para agradecerle su tiempo, ofrecemos a los primeros 150 clientes que completen la encuesta **una tarjeta de regalo electrónica de Tango Rewards de $10**, que se puede canjear en línea en una variedad de tiendas minoristas. Para participar y recibir la tarjeta de regalo, debe completar la encuesta antes del [Date].

Escanee con la cámara de su teléfono o use el enlace y el código de acceso para comenzar.

[QR Code]

Encuesta: admenergy.com/awareness.survey

Código encuesta: [Access Code]

¡Gracias por su aporte!

ADM Associates

Trouble taking the survey? / ¿Tiene problemas para realizar la encuesta? Contact/ Contacto ADM Survey1911@surveys.admenergy.com

ADM conducts research to support research and evaluation in the energy sector. Survey data are not shared with third parties for marketing purposes. Our full privacy statement is available here: admenergy.com/privacy

ADM realiza investigaciones para apoyar la investigación y evaluación en el sector energético. Los datos de las encuestas no se comparten con terceros para fines de marketing. Nuestra declaración de privacidad completa está disponible aquí: admenergy.com/privacy

ADM Associates, Inc.

尊敬的【FirstName】，

我谨代表一家本地公共机构与您联系。

您被选中参加一项关于圣克拉拉县居民对能源和气候倡议的认识的研究。我们需要您的反馈，以帮助您的能源供应商改进服务以及与客户沟通的方式。

您能帮助我们完成这项调查吗？完成调查大约需要10到15分钟，您的宝贵意见将被保密。**您可以使用任何**联网设备（手机、电脑或平板电脑）完成调查。

为感谢您抽出宝贵的时间，我们将向完成调查的前150名客户**提供一张 10$ Tango 励电子礼品卡**，该卡可在多家零售商处在线兑换。**若要参与并**领取礼品卡，您必须在[Date] 前完成调查。

使用手机相机扫描或者使用链接和访问码开始。

[QR Code]

民意调查: admenergy.com/awareness.survey
调查访问码: [Access Code]

感谢您的宝贵意见！

ADM Associates

Kính gửi [FirstName],

Thay mặt cho một cơ quan công cộng địa phương, tôi đang liên hệ với quý vị bằng thư này.

Quý vị đã được chọn để tham gia vào một nghiên cứu về nhận thức của mọi người về các sáng kiến năng lượng và khí hậu tại Quận Hạt Santa Clara. Chúng tôi cần phản hồi của quý vị để giúp định hình các dịch vụ và cách nhà cung cấp năng lượng của quý vị giao tiếp với khách hàng của mình.

Quý vị có thể giúp chúng tôi bằng cách tham gia cuộc khảo sát này không? Cuộc khảo sát mất khoảng 10 đến 15 phút để hoàn thành và phản hồi có giá trị của quý vị sẽ được giữ bí mật. Quý vị có thể sử dụng bất kỳ thiết bị nào có kết nối internet (điện thoại, máy tính hoặc máy tính bảng) để thực hiện khảo sát.

Để cảm ơn quý vị đã dành thời gian, **chúng tôi sẽ cung cấp thẻ quà tặng điện tử Phần Thưởng Tango $10**, có thể được đổi trực tuyến tại nhiều nhà bán lẻ, cho 150 khách hàng đầu tiên hoàn thành khảo sát. Để tham gia và nhận thẻ quà tặng, quý vị phải hoàn thành khảo sát trước [Date]a.

Quét bằng camera điện thoại của bạn hoặc sử dụng liên kết và mã truy cập để bắt đầu.

[QR Code]

sự khảo sát: admenergy.com/awareness.survey
mã truy cập khảo sát: [Access Code]

Xin cảm ơn thông tin đầu vào của quý vị!

ADM Associates

进行调查时遇到问题？/ Gặp khó khăn khi thực hiện khảo sát? 联系/ Liên hệ ADM Survey1911@surveys.admenergy.com

ADM进行的研究旨在支持能源领域的研究和评估。我们不会将调查数据与第三方共享用于市场营销目的。我们完整的隐私声明可在此处查看：admenergy.com/privacy

ADM tiến hành nghiên cứu để hỗ trợ nghiên cứu và đánh giá trong lĩnh vực năng lượng. Dữ liệu khảo sát không được chia sẻ với bên thứ ba vì mục đích tiếp thị. Bản tuyên bố về quyền riêng tư đầy đủ của chúng tôi có tại đây: admenergy.com/privacy

6 Appendix 3: Email Recruitment

Subject: We want to hear your thoughts

Dear [FirstName],

I am contacting you on behalf of a local, public agency.

You were selected to participate in a study on peoples' awareness of the energy and climate initiatives in Santa Clara County. We need your feedback to help shape the services and ways your energy provider communicates with its customers.

Can you help us by taking this survey?

The survey takes about 10 to 15 minutes to complete, and your valuable feedback will be held in confidence.

To thank you for your time **we are offering a $10 Tango Rewards e-gift card**, which can be redeemed online at a variety of retailers, to the first 150 customers that complete the survey. To participate and receive the gift card, you must complete the survey by [Date].

Click Here to Start the Survey

You can use any device with internet (phone, computer or tablet) to take the survey. If you can't click the link above, please copy and paste this link into your browser:

[ADD SURVEY LINK]

Thank you for your input!

ADM Associates

Hola [FirstName],

Te escribo de parte de una agencia pública local.

Te seleccionamos para participar en un estudio para conocer lo que saben las personas sobre iniciativas de energía eléctrica y clima en el Condado de Santa Clara. Tu opinión nos ayudará a diseñar los servicios y las formas en que los proveedores se comunican con sus clientes.

¿Nos ayudarías contestando esta encuesta?

ADM Associates, Inc.

Te tomará entre 10 y 15 minutos contestar la encuesta, y tu valiosa opinión se mantendrá confidencial. Como agradecimiento por tu tiempo, **te ofrecemos una tarjeta electrónica de $10 de Tango Rewards** que podrás usar en una gran cantidad de tiendas; esta tarjeta está disponible para los primeros 150 clientes que completen la encuesta. Para participar y recibir la tarjeta de regalo, debes completar la encuesta antes del [DATE].

Haz clic aquí para comenzar la encuesta

Puedes usar cualquier dispositivo conectado a internet (teléfono, computadora o tableta) para contestar la encuesta. Si no puedes hacer clic en el enlace anterior, copia y pega este enlace en tu navegador:

SURVEY LINK

¡Gracias por tu opinión!

ADM Associates

ADM realiza investigaciones para apoyar la investigación y evaluación en el sector energético. Los datos de las encuestas no se comparten con terceros para fines de marketing. Nuestra declaración de privacidad completa está disponible aquí: admenergy.com/privacy

尊敬的 [FirstName],

我代表当地的一家公共机构与您联系。

您被选中参与一项关于人们对圣克拉拉县能源和气候倡议的了解程度的研究。我们需要您的反馈来帮助塑造相关服务以及您的能源供应商与其客户进行沟通的方式。

您能帮助我们完成这项调查吗？

完成本调查大约需要**10到15分**钟，您的宝贵反馈将予以保密。
为答谢您的参与，我们将向完成调查的前**150位客**户**提供一张价值10美元的Tango Rewards电子礼品卡**，该礼品卡可在多家零售商处在线兑换。您必须在[DATE]**日之前完成本**调查，方可参加活动并获得礼品卡。

ADM Associates, Inc.

点击此处开始本调查

您可以使用任何联网设备（手机、电脑或平板电脑）参加调查。如果您无法点击上面的链接，请复制此链接并将其粘贴到您的浏览器中：

SURVEY LINK

感谢您提供意见！

ADM Associates

ADM进行的研究旨在支持能源领域的研究和评估。我们不会将调查数据与第三方共享用于市场营销目的。我们完整的隐私声明可在此处查看：admenergy.com/privacy

Thân gửi [FirstName],

Tôi thay mặt cơ quan địa phương, cộng đồng liên hệ với bạn.

Bạn đã được chọn tham gia vào một nghiên cứu về nhận thức của con người đối với các sáng kiến năng lượng và khí hậu tại Quận Santa Clara. Chúng tôi cần phản hồi của bạn để giúp định hình các dịch vụ và cách nhà cung cấp dịch vụ năng lượng của bạn giao tiếp với khách hàng.

Bạn có thể giúp chúng tôi bằng cách tham gia khảo sát này được không?

Khảo sát sẽ mất khoảng 10 đến 15 phút để hoàn thành và các phản hồi quý giá của bạn sẽ được giữ bảo mật.

Để cảm ơn bạn vì đã dành thời gian tham gia, **chúng tôi sẽ tặng bạn một thẻ quà tặng điện tử Tango Rewards trị giá $10**, bạn có thể đổi thẻ trực tuyến tại nhiều cửa hàng bán lẻ khác nhau, dành cho 150 khách hàng đầu tiên hoàn thành khảo sát này. Để tham gia và nhận thẻ quà tặng, bạn phải hoàn thành khảo sát chậm nhất vào ngày 30 tháng 8 năm 2023.

Nhấp vào Đây để Bắt Đầu thực hiện Khảo Sát

ADM Associates, Inc.

Bạn có thể sử dụng bất kỳ thiết bị nào có kết nối mạng (điện thoại, máy tính hoặc máy tính bảng) để thực hiện khảo sát. Nếu bạn không thể nhấp vào liên kết bên trên, vui lòng sao chép và dán liên kết đó vào trình duyệt của bạn:

[SURVEY LINK]

Cảm ơn ý kiến đóng góp của bạn!

ADM Associates

ADM tiến hành nghiên cứu để hỗ trợ nghiên cứu và đánh giá trong lĩnh vực năng lượng. Dữ liệu khảo sát không được chia sẻ với bên thứ ba vì mục đích tiếp thị. Bản tuyên bố về quyền riêng tư đầy đủ của chúng tôi có tại đây: admenergy.com/privacy

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1f

Item 1f:	**Adopt SVCE's Load Management Standards Compliance Plan**
From:	Girish Balachandran, CEO
Prepared by:	Adam Selvin, Director of Energy Services and Community Relations Citlalli Sandoval, Senior Regulatory Advisor
Date:	3/13/2024

RECOMMENDATION

Staff recommends that the Board of Directors adopt the Silicon Valley Clean Energy Load Management Standards Compliance Plan (Attachment 1).

EXECUTIVE COMMITTEE RECOMMENDATION

At the February 23, 2024 Executive Committee meeting, staff presented SVCE's Load Management Standards Compliance Plan (LMS Plan) in substantial form to the Executive Committee for approval prior to it being brought to the Board for adoption. At this meeting the Executive Committee voted unanimously to approve the LMS Plan and recommend its approval as a consent item at the March 13, 2024 Board meeting. Attached as Attachment 1 to this Staff Report is a public version of the LMS Plan, which redacts market sensitive information contained in the plan. The development of this LMS Plan helps to inform and guide SVCE's demand flexibility efforts. Further discussion of SVCE's demand flexibility strategy is part of SVCE's broader rates strategy and will occur as part of an upcoming Board Study Session focused on SVCE's future rates and rate affordability.

Certain types of load serving entities (investor owned utilities and publicly owned utilities) were required to submit their compliance plans to the California Energy Commission (CEC) at the end of last year. Community choice aggregators such as SVCE will submit their compliance plans to the CEC by April 1, 2024. At the request of the Executive Committee, SVCE Staff has attached a table as Attachment 2 to this Staff Report with information about load serving entities' compliance plans that have already been submitted to the CEC.

BACKGROUND

The CEC adopted Load Management Standards (LMS) to promote electricity demand flexibility. These standards require load serving entities in California, such as Silicon Valley Clean Energy (SVCE), to develop a compliance plan that describes how the load serving entity plans to meet the goals of the Load Management Standards every three years. The goals of the Load Management Standards are to: 1) encourage the use of electrical energy during off-peak hours; 2) control daily and seasonal peak loads; 3) improve equity, efficiency, and reliability; 4) lessen/delay need for new electrical capacity; 5) reduce fossil fuel consumption and 6) reduce greenhouse gas emissions. Load serving entities are also required to evaluate dynamic rates or programs that enable automated responses to dynamic rates in their compliance plan. Load serving entities are required by the California Code of Regulations Title 20 § 1623.1 to submit their compliance plans to their rate approving body for adoption. SVCE's Board of Directors (Board) is the governing board responsible for setting rates. Additionally, load serving entities can make revisions to their compliance plans and are required by the Load Management Standards to submit annual reports to the California Energy Commission demonstrating progress towards the implementation of their compliance plan or any changes to it.

Agenda Item: 1f **Agenda Date: 3/13/2024**

ANALYSIS AND DISCUSSION

In its first compliance plan, SVCE describes current and future programs and rates that accomplish the goals of the Load Management Standards, provides the results of an analysis on the impacts of moving to dynamic rates on SVCE's load, describes the resources needed to implement dynamic rates, describes the status of SVCE's progress towards meeting Load Management Standards requirements, and examines dynamic rates from an equity, technology, reliability, and customer-benefit perspective.

SVCE's analysis of the impact of moving to dynamic rates on SVCE's load consisted of examining three hypothetical scenarios of potential customer class participation and incrementally addressable load for 2024-2027. Even under the scenario with the most aggressive customer participation and load change assumptions, the results indicated that dynamic rates are likely to have a very minor impact on SVCE's load. However, SVCE acknowledges that real-life results may differ from the assumptions-based modeled load impact analysis included in its LMS Plan.

Additionally, in its LMS Plan, SVCE considers opportunities to provide customers with access to hourly rates, either through enrollment in marginal cost-based rates or through enrollment in programs that access hourly rates to shape program incentives. While today there is not enough information to know which customers would benefit the most from hourly rates or the potential scale of load shift and its impacts on supply, SVCE expects dynamic rates and/or programs accessing dynamic rates signals to incentivize customers to use energy during off-peak hours. Ultimately, the widespread adoption of dynamic rates will vary and depends heavily on regulatory policies, technical infrastructure, and customer acceptance.

SVCE is already contributing to meeting the LMS goals through its current program and rate offerings and will continue to encourage the use of energy at off-peak hours to improve the electrical system's efficiency, reliability, and greenhouse gas footprint.

STRATEGIC PLAN

As referenced in SVCE's Strategic Plan Goal 12, Measure 2, the LMS Plan will inform the development of programs to promote matching of clean energy supply and demand.

ALTERNATIVE

Noncompliance with the Load Management Standards, which may result in the Executive Director of the California Energy Commission filing a formal complaint with the California Energy Commission or seeking injunctive relief.

FISCAL IMPACT

The SVCE Board of Directors adoption of SVCE's Load Management Standards Compliance Plan will not result in an immediate impact to the current fiscal year (FY 2024) budget. Programs, rates and/or other measures identified in the plan will come to the Board for approval as necessary.

ATTACHMENTS

1. Public version of SVCE's Load Management Standards Compliance Plan, which contains redactions of market sensitive information.
2. Table providing information about already submitted load serving entities' compliance plans.

Silicon Valley Clean Energy

2024 Load Management Standards Compliance Plan

March 13, 2024

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I. Executive Summary

In compliance with California Code of Regulations Title 20 § 1623.1, Silicon Valley Clean Energy (SVCE) has developed its 2024 Load Management Standards (LMS) Compliance Plan (Plan). In this Plan, SVCE considers opportunities to provide customers with access to hourly rates, either through enrollment in marginal cost-based rates or through enrollment in programs that access hourly rates to shape program incentives. While today there is not enough information to know which customers would benefit the most from hourly rates or the potential scale of load shift and its impacts on supply, SVCE expects dynamic rates and/or programs accessing dynamic rates signals to incentivize customers to use energy during off-peak hours. Ultimately, the widespread adoption of dynamic rates will vary and depends heavily on regulatory policies, technical infrastructure, and customer acceptance.

SVCE describes current and future programs and rates that accomplish the objectives of the LMS, provides the results of an analysis on the impacts of moving to dynamic rates on SVCE's energy costs, describes the resources needed to implement dynamic rates, describes the status of SVCE's progress towards meeting LMS requirements, and examines dynamic rates from an equity, technology, reliability, and customer-benefit perspective. The development of this Plan helps to inform and guide SVCE's demand flexibility efforts.

SVCE offers a full range of time-of-use (TOU) generation rates corresponding with Pacific Gas and Electric Company's (PG&E) TOU delivery rates. This includes a residential electrification rate with a greater price difference between off-peak and on-peak hours than the otherwise applicable TOU rate, resulting in more pronounced incentivization of electricity usage when grid conditions are most favorable. In terms of programs, SVCE offers its customers several programs that advance one or more of the LMS goals. These programs are described in this Plan.

In the Plan, SVCE evaluates the potential impacts of dynamic rates both quantitatively and qualitatively. However, the quantitative evaluation focuses on modeled impacts to only SVCE's energy costs due to the fact that there are many unknowns surrounding the implementation of dynamic rates in California and how customers might respond. The high-level model used to quantify the potential impacts of dynamic rates on SVCE's energy costs examined three different scenarios of hypothetical changes in demand due to real time pricing. The results indicate that dynamic rates will have a minor impact on

SVCE's load in the next couple of years. Additionally, the modeled evaluation did not produce a hypothetical outcome that resulted in operational net cost savings. Further analysis is needed that quantifies the benefits of load shifts to non-peak periods, the benefits by customer class and by appliance/electric vehicle applications, and the benefits of changes to the capacity needs of the grid. Intangible benefits, such as the opportunity to engage customers, and potential limitations, such as rate access and automation, are difficult to quantify but should be considered as well.

Furthermore, several California Public Utilities Commission (CPUC) dynamic rate pilots have been developed, in which SVCE may participate. The pilots have not yet launched and are not expected to launch until Summer of 2024.[1] For these reasons, SVCE plans to adapt its evaluation of dynamic rates based on the results of the pilots and will modify its demand flexibility strategy as more information is gathered.

In terms of continued compliance with the LMS regulations, SVCE has uploaded all its time-dependent generation rates into the CEC's Market Informed Demand Automation Server and is actively participating in the workshops to develop the statewide Rate Identification Number (RIN) tool.

The abovementioned activities have required and continue to require considerable resources. SVCE provides estimates of the additional resources needed to support the implementation of real time pricing pilots in this Plan and will continue to evaluate the systems and staffing that will be necessary as real-world implementation experience is gained through pilot participation.

II. Introduction

SVCE commenced customer service in April 2017 and is chartered to source clean, competitively priced electricity on behalf of residents and businesses in the participating jurisdictions of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and unincorporated parts of Santa Clara County. Within these communities, SVCE serves approximately 270,000 residential and commercial electric accounts, which consume approximately 3,800 gigawatt hours per year. SVCE is governed by a board of 13 locally elected officials, who set SVCE's rates and policies and oversee its operations.

SVCE's mission is to reduce dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community. Consistent with this purpose, since inception, SVCE has offered its customers a variety of programs to help expedite electrification while providing clean electricity to its customers. From the outset, SVCE has acknowledged that while electrification is vital to decarbonization of the wider economy it must be done in a manner that also balances customer affordability. SVCE has developed and participated in numerous programs as well as the Business EV and E-ELEC rates which help ensure that electric load growth can be managed in a way that benefits the electrical grid's operations as well as customer affordability.

[1] Decision 24-01-032

SVCE's efforts to date, and planned efforts going forward as outlined in this Plan, are aligned with the primary goals of the LMS regulations. The California Code of Regulations describes four primary goals associated with the LMS compliance plans[2]:

Goal 1: Encouraging the use of energy at off-peak hours;
Goal 2: Encouraging the control of daily and seasonal loads to improve system efficiency and reliability;
Goal 3: Lessening/delaying the need for capacity additions; and
Goal 4: Reducing fossil fuel consumption and greenhouse gas (GHG) emissions.

While each of these goals is unique, they are also all interrelated. Load management provides several value streams to the grid. First, when sufficiently dependable, it allows grid planners to build to a lower peak. Given that the grid infrastructure is built to meet peak demand, it generally follows that achieving Goal 1 dependably will support the achievement of Goal 4. In real time operations, dispatchable load management provides the grid operator tools to ensure they can maintain reliability. Additionally, because marginal energy prices have a strong positive correlation to grid emissions, price signals are an effective means to achieve lower emissions and more efficient use of the existing system.

SVCE's load management activities to date include both rate and program options. In the future, SVCE's innovative rates and programs are expected to consistently reduce peak demand and shift load to non-peak hours, providing value to the grid and aligning with LMS goals. New rates and programs are also under consideration to accelerate these impacts. These activities are funded through a cumulative $116 million commitment from SVCE's Board of Directors (Board) to create new and extend existing customer offerings, rebates, and rate-specific incentives to expand the use of clean electricity in homes, transportation, and commercial buildings.

SVCE's existing rates and programs, and those under consideration, are discussed in the section below.

III. Rates and Programs to Support Load Management Goals

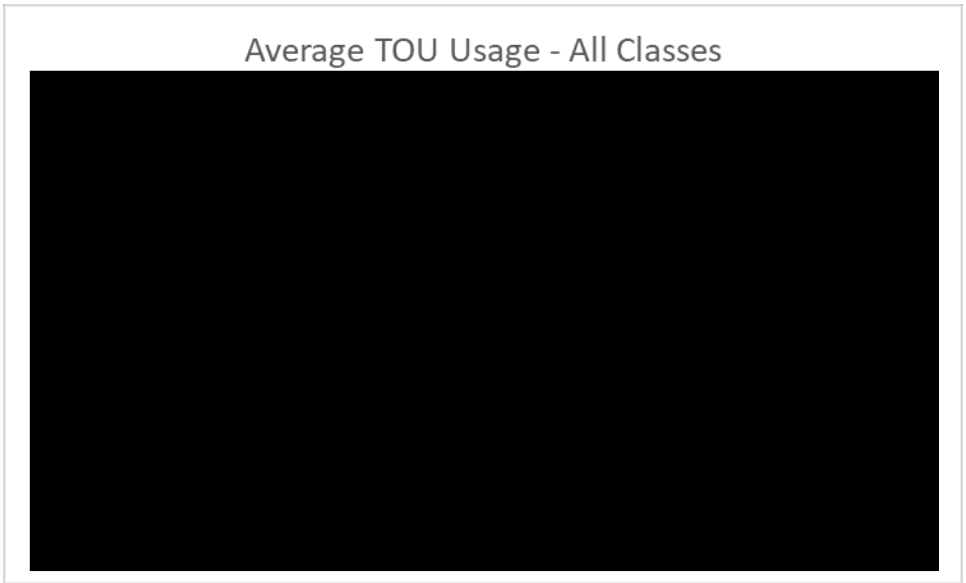
SVCE is deeply committed to meeting the LMS goals and expects to continue to use a combination of rates and program incentives to encourage customers to adjust their energy usage behaviors. While the expectation is that the dynamic rate pilots (real time pricing pilots) under development will be effective at encouraging customers to shift their energy usage and could result in long-term behavioral change with significant grid management benefits, initial enrollment is expected to be low due to the complexity and newness of the rates, lack of automation services, and existing levels of customers' comfort with and understanding of TOU rates. Therefore, SVCE is considering program incentives as well as rates to drive behavior change, and engagement and support to build customer awareness and interest in dynamic rate pilot enrollment. Additionally, SVCE is considering opportunities to amplify the impact of time-varying rates through off-peak use incentives that provide customer savings and help to improve grid reliability by lessening grid stress during peak times. SVCE will be evaluating the load impact of implemented rates and incentives, which will influence the development of future SVCE rates and programs.

[2] California Code of Regulations Title 20 § 1623.1(a)(1).

A. Existing Rates

SVCE provides generation service to its customers, while the host investor-owned utility (IOU), PG&E, provides distribution and transmission services. SVCE offers a full range of time-of-use (TOU) generation rates corresponding with PG&E's TOU delivery rates in order to incentivize daily shifting of load into hours when the grid is being supplied with cleaner energy and can be more efficiently utilized. This helps to lower peak demand and decrease grid infrastructure costs and emissions. Today, approximately 70% of SVCE customer accounts and 90% of SVCE load are enrolled in TOU rates. When considering SVCE's total average load across all TOU rate classes, approximately 80% is used during off-peak hours.

Figure 1 Average TOU Usage Across All SVCE Rate Classes



SVCE's novel Electric Home rate (E-ELEC) is a customer generation TOU rate specifically designed to support beneficial home electrification that was approved by the Board in December 2022 and launched in January 2023. The SVCE E-ELEC rate provides a discount to SVCE customers that are enrolled in PG&E's E-ELEC rate; however, rather than applying a fixed generation discount percentage (e.g., 4%) across all energy usage as with other SVCE rates, it increases the cost of energy consumed during peak periods by 10% relative to PG&E's generation charges, while providing a 30% discount to all energy consumed during off-peak periods. By designing SVCE's Electric Home rate discount around existing TOU periods, SVCE aimed to more strikingly promote behavioral and programmatic changes to participants' energy consumption. Participating customer generation discounts have ranged from 2% to 22% based on their energy usage and willingness or ability to shape their daily consumption in response to SVCE's more pronounced rate, with a median discount of 10% relative to PG&E's rates. SVCE currently has over 1,200 customers enrolled in the SVCE E-ELEC rate and has funding to support an increased E-ELEC discount for up to 5,000 customers enrolling in the rate through 2027.

With large commercial and industrial customers, SVCE has begun to offer variable pricing structures that utilize CAISO day-ahead hourly energy costs. In 2022, SVCE announced an innovative 24/7 Carbon-Free Energy Agreement with Google. Under a 10-year contract, SVCE will serve Google's Mountain View and Sunnyvale offices by matching carbon-free electricity (CFE) to Google's local demand at least 92% of all

hours of the year. Service costs are based on dynamic CAISO market prices. This 24/7 CFE service supports active demand management, providing for the integration of day-ahead price signals with Google's flexible all-electric building and transportation systems, including thermal and battery storage, Electric Vehicle (EV) charging networks, and smart Heating, Ventilation, and Air Conditioning (HVAC). Google is incented to flex demand based on the dynamic price signal to improve their cost savings and CFE performance. SVCE is evaluating opportunities to replicate and scale this offering to other commercial accounts.

B. Existing Programs

SVCE has launched several programs and initiatives to help shape customer demand. SVCE has historically and will continue to reinforce the importance of using electricity when it is cleanest and least expensive (non-peak hours) in its program design and marketing. Emissions from transportation comprise the largest source of GHG emissions in SVCE's territory and SVCE expects the shift to electric vehicles to be a significant driver of future load growth. Managing the timing of this load to ensure that the grid can accommodate it with minimal grid impact is of particular importance to SVCE because it will affect the cost of build out and operation of the grid.

SVCE contracted with ev.energy in May 2020 to launch GridShift, a mobile app-based program to manage EV charging, in order to shape customer charging demand and help customers reduce their ongoing EV charging costs. GridShift helps residential customers optimize EV charging by shifting charging to off-peak hours. As this program scales, it will help manage reliability risk associated with transportation electrification by reducing EV charging's impact on peak load. Ev.energy was recently awarded the California Energy Commission's (CEC) Responsive, Easy Charging Products with Dynamic Signals (REDWDS) grant, which will support grid signal integration for dynamic rate pilots and strengthen the existing customer charging management and customer interface. SVCE plans to partner with ev.energy to amplify the REDWDS grant impact to grow GridShift enrollment and, once dynamic rate pilots are available, encourage our customers to enroll in the pilot rates. Furthermore, once vehicle-to-grid functionality becomes more prevalent, SVCE's ability to use the program to benefit the grid reliability will increase. Today, the GridShift app is being used by more than 1,225 EV owners in SVCE's service area. It shifts charging daily to avoid the worst times of day to charge, when grid conditions result in the greatest emissions and largest costs. SVCE has also layered demand response programmatic features to the Grid Shift program to further minimize charging during Flex Alerts. SVCE continues to evaluate the load modifying impact that GridShift has on everyday charging, avoiding summer peak events, and increasing usage during times of plentiful renewable generation on the grid.[3]

Beyond EV charging, SVCE contracted with Sunrun for a Virtual Power Plan (VPP) to further support load shift to nonpeak hours. SVCE defines VPPs as aggregations of distributed energy resources (DERs) that can permit shifting of energy demand or injections of supply to the grid (i.e., can be used to increase or decrease load, as desired). Enrolling smart DERs into VPPs to provide value to the grid and return that value to customers is a critical part of SVCE's vision for spurring a widespread increase in demand

[3] SVCE has released a third-party evaluation report analyzing impacts of the app at https://www.svcleanenergy.org/research-analysis/#1639688703076-c88f0dce-ef3b.

flexibility and DER adoption. The Sunrun contract is part of the Lights on Silicon Valley program, which has installed [redacted] MW of distributed solar and battery storage systems at single family and multifamily residences in SVCE's territory. These systems are required to provide resiliency benefits to customers by being able to island from the grid in the event of a power outage, and the batteries will form a VPP to provide grid services to SVCE when not in use for back-up power. Sunrun dispatches these batteries for SVCE daily during the peak period to automatically offset consumption during peak hours. The Lights on Silicon Valley program aims to increase the deployment of behind-the-meter storage and will also help mitigate reliability impacts by reducing SVCE's demand during system peak periods.

Additionally, to support demand response impacts in SVCE's territory, SVCE launched an Emergency Load Reduction Program (ELRP) awareness initiative, which provided enrollment outreach to large commercial and industrial customers in its service territory – including customers with significant back-up generation capacity. SVCE led an effort coordinated with PG&E, Olivine, and other CCAs to convince more of these customers to enroll in ELRP. SVCE also chose to allow its eligible residential customers to be automatically enrolled in the A.6 residential ELRP program, leading to approximately 60,000 SVCE accounts being included in the program.

SVCE's location in the Silicon Valley gives it a unique opportunity to engage with top innovators, startups, and local agencies. SVCE has successfully worked with eight member agencies to commit to solar and/or storage installations by providing $2.9 million through a community resiliency program, further supporting the reduction of load during peak hours and providing dispatchable storage.[4] SVCE also created an Innovation Onramp program to attract novel pilots that demonstrate scalable solutions to overcoming decarbonization's major hurdles in cost effective ways. SVCE has funded 12 pilots over the last few years.[5] While not all end up achieving their goals, these pilots can unlock paradigm-shifting approaches to intractable problems. This innovation lens also extends to technologies that can reduce need for grid infrastructure upgrades and help manage SVCE's load (e.g., home outlet splitters to allow EV charging to share an outlet with a dryer – preventing the appliances from being active at the same time and spiking demand). Some of SVCE's pilots have progressed into longer-term SVCE programs like the Data Hive for access to customer energy data to enable improved DER adoption or the GridShift EV Charging app. Some go on to attract significant outside funding (e.g., CEC grants for to install EV charging technology to serve multifamily residents in disadvantaged and low-income communities). SVCE will continue to fund innovation pilots to try to unearth advances in thinking that will accelerate the transition to deep decarbonization and help SVCE best manage its load to support grid resilience.

Finally, SVCE has other programs that expedite customer installations of smart appliances. The incorporation of more electric appliances with demand response capabilities can greatly aid in creating a more flexible, efficient, and sustainable energy grid and will be fundamental to the success of responsiveness to dynamic rates in California. Appliances can be programmed to respond to real-time price signals, reducing power consumption during peak hours and shifting energy use to off-peak hours, better aligning with the availability of renewable energy sources on the grid. SVCE's smart appliance programs are discussed in more detail in Section VII.B.

[4] More information on this work can be found at https://svcleanenergy.org/community-resilience/.
[5] More information on the 12 pilots can be found at https://svcleanenergy.org/innovation-pilots/.

C. Rates Under Consideration

SVCE sees further opportunity to shift customer electricity usage to nonpeak hours and reduce peak usage through participation in the CPUC's dynamic rate pilots, which will utilize marginal cost-based rates. SVCE plans to seek approval from its Board to participate in the Day Ahead Hourly Real Time Pricing (DAHRTP) pilot being operated by PG&E as well as the Demand Flexibility AgFit Expansion pilots. The start of the DAHRTP pilot has been delayed and the Demand Flexibility AgFit Expansion pilots are not expected to start until June of 2024 (notwithstanding any future delays) but the eventual result of the CPUC's pilot evaluation will inform SVCE's marginal cost-based rate development process. The focus for the next several years (2024-2026) will be to learn from these CPUC pilots and understand the potential load shift implications, customer benefits by rate class, and system and operational impacts of marginal cost-based rates. Further, SVCE will be evaluating opportunities to incorporate hourly rates into its demand flexibility and VPP programs, including GridShift and other future program offerings. Marketing, education, and outreach plans will be developed to build awareness and understanding as well as encourage customer enrollment where benefits exist. SVCE anticipates leveraging its engaged customer base to build awareness of dynamic rate pilots through direct and electronic communications.

SVCE will be identifying data streams available for measurement and establishing internal pilot rate goals once the pilot rate structures, program design and launch dates are finalized and SVCE's participation in the pilots has been authorized by its Board. In the meantime, SVCE is working with Evaluation, Measurement, and Verification (EMV) consultants to identify metrics to capture the value of the pilot rates for our customers and the entity as well as to gain insight into potential improvements. Key metrics under consideration include: load responsiveness, customer class bill impact relative to Other Applicable Tariff (OAT), GHG emissions impact, equity considerations, customer satisfaction/adoption rates/attrition, and SVCE cost recovery.

SVCE's unique ability to educate, build awareness and interact with its 270,000+ customers with ongoing outreach and engagement through both direct and electronic channels is expected to be very valuable as customers are introduced to dynamic rate pilots. Dynamic rate pilots and programs will be discussed at quarterly community partners meetings, which will be used to gain feedback on SVCE's energy services, pilot results, and upcoming plans.

D. Programs Under Consideration

As SVCE considers demand flexibility and VPP opportunities to further support load shift, demand response is one use case under consideration. SVCE is currently working with a demand-response aggregator (Autogrid) to engage member agencies in the development of a demand flexibility pilot program. This effort stems from part of a larger Distributed Energy Resources Management System (DERMS) effort with multiple goals including (1) establishing DERMS at SVCE; (2) enrolling member agency facilities in DERMS; (3) supporting SVCE to use DERMs to dispatch connected DERs; and (4) successful DERMS implementation. The objective of the pilot is to increase supply and reduce load through DERs during times of peak stress.

Additionally, SVCE plans to build upon the Commercial and Decarbonization Pilot Program, launched in the Fall of 2023, by expanding the program in mid-2024. The program seeks to align the energy and sustainability goals of SVCE's key accounts with SVCE's own decarbonization and load management goals.

In the near term, the program will focus on gas savings and electrification, but SVCE expects a long-term emphasis on energy management, and finding savings and load shifting opportunities in high cost, GHG-intensive hours.

SVCE is considering performance payments for both customers and vendors that encourage load management as well as GHG emissions. This would be accomplished by leveraging hourly incentive rates, or GHG-weighted incentive rates. Performance-based payments that are time-variable will encourage the program's contractors and customers to seek load-shaped savings opportunities.

Finally, to help reduce the upfront customer costs associated with retrofit building electrification and allow more customers to be able to participate in the benefits of decarbonization and shifting load, SVCE has been exploring financing options to augment its other programs. With support from the state's TECH Clean California initiative, SVCE submitted a proposal to the CPUC's Clean Energy Financing proceeding (Rulemaking 20-08-022) for a tariffed on-bill financing (TOB) pilot. To maximize bill savings, TOB programs will require that the equipment be controlled to follow TOU and future dynamic rates. This approach will inherently optimize these new loads to the benefit of the customer and, provided the dynamic rates are appropriately set based on system costs, SVCE's load shape. The draft scope includes heat pump water and space heating, along with efficiency improvements, and may ultimately include electrification of all devices in the home. Uniquely, TOB financing leverages the bill savings achieved through electrification and load shifting to offset the upfront costs of electrification upgrades. While deployment of TOB pilots in California is still pending regulatory approval, TOB is increasingly recognized as a powerful financing mechanism accessible to low and moderate-income households and renters, enabling accelerated scaling of electrification and load shifting.

E. Efforts to Reduce GHG Emissions and Fossil Fuel Consumption

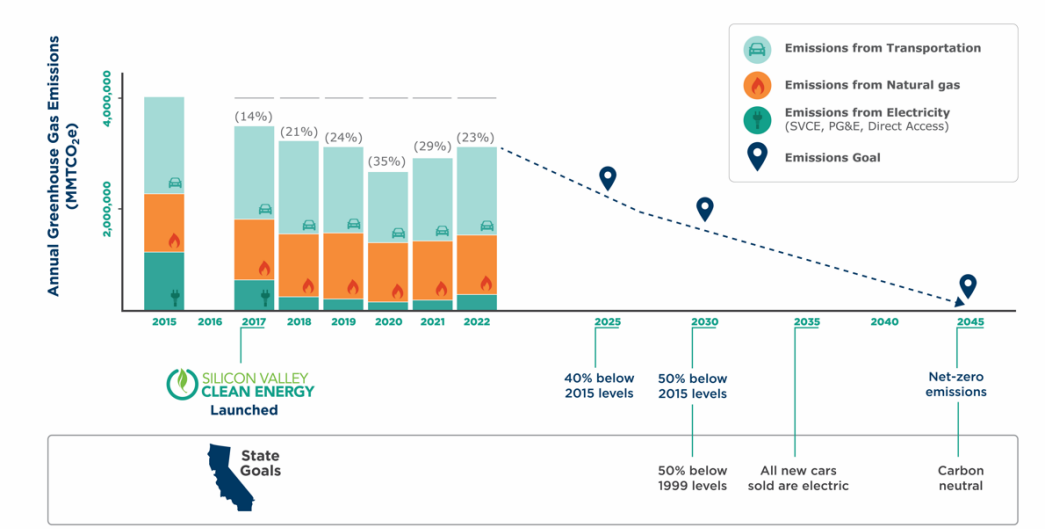
SVCE annually evaluates the overall progress made to reduce economy-wide GHG emissions within its service territory: 40% from the 2015 baseline by 2025, 50% by 2030, and the statewide target of net-zero emissions by 2045. SVCE strives to help its communities meet these goals through electrifying the buildings and transportation sectors while building new utility-scale renewable generation and battery storage resources to reduce electricity sector emissions. Implementation of innovative rates and programs support electrification while shaping load to help reduce demand at peak hours, thereby reducing dependency on fossil fuel usage.

California has set ambitious clean energy and emission goals – including a goal for all electricity to be generated by carbon-free and renewable sources by 2045. SVCE is ahead of the California targets, with about half of SVCE's energy supply coming from renewable resources and the remainder historically coming from other carbon-free resources such as hydro power.

In 2022, energy and transportation-related emissions for the SVCE service territory were 3.08 million MT CO2e (excluding fugitive emissions from natural gas usage), 23.4% lower than the 2015 baseline year emissions. In 2023, due to higher vehicle miles traveled compared to prior years, emissions from the transportation sector returned to pre-COVID-19 levels. Despite projected short-term increases in vehicle miles traveled due to continued recovery from COVID-19, SVCE projects that future GHG emissions will decrease. This is attributable both to regional and local electrification efforts and the continued build

out of its clean portfolio, which includes long-term PPAs for renewable and battery storage resources amounting to over 1300 MW of capacity, of which all but 119 MW are new incremental capacity for the CAISO system.

Figure 2 SVCE Annual Greenhouse Gas Emissions



IV. Progress Towards Meeting LMS Requirements

A. Market Informed Demand Automation Server (MIDAS)

SVCE's Plan Attachment A shows the status of SVCE's compliance with the LMS MIDAS requirements. Attachment A lists all 163 current time-dependent rates and their associated RINs and demonstrates the availability of SVCE's rates in MIDAS.

SVCE is responsible for the generation component of a customer's bill. PG&E is responsible for the distribution and transmission rates charged to SVCE's customers. SVCE has uploaded and will continue to upload its TOU generation rates and will not calculate the composite rate outside of MIDAS because it does not have access to the other rate components for which it is not responsible. At the moment, each service provider uploads its rates separately into MIDAS.

SVCE has been using its back-office data services provider, Calpine, to manually upload SVCE's TOU rates to MIDAS. To date, this has been an extremely time-consuming process that has been complicated by a range of technical issues. These technical issues have been documented and shared with CEC staff.[6] For future uploads, because SVCE is using a third-party to connect to MIDAS, infrastructure upgrades will not occur at SVCE. Instead, Calpine will build out the infrastructure to automate the TOU upload

[6] Technical issues have been shared with CEC staff through e-mail communications.

process. SVCE plans to have Calpine continue to upload TOU rates following the launch of the CPUC's dynamic rate pilots.

To support the CPUC's dynamic rate pilots, SVCE will be offering customers the opportunity to enroll in the dynamic rate pilots that PG&E will be administering and that the SVCE Board has approved. The internal infrastructure needed to support the pilots is not yet completely known. However, SVCE has participated in a series of working sessions with PG&E to understand how the pilots will be administered and the IT systems that will be needed to support SVCE unbundled customer participation. At the time of the writing of this report, SVCE has been instructed by PG&E to email adjustments to the generation rate components of the pilot's composite dynamic rate (e.g., marginal generation capacity cost adjustment or revenue neutral adder adjustments) to PG&E. From there, PG&E will upload into PG&E's Pricing Engine, which will ultimately upload SVCE adjusted rates into MIDAS and Calpine.

SVCE has been working with Calpine to test this process. Calpine continues to work closely with PG&E to test Calpine's receipt of the file as well as the transfer to PG&E's billing system. IOU billing systems are extremely complex in nature and to date, Calpine has not received all files to verify that there will be no issues with data integration at the time of the planned pilot launches. Calpine will continue to work with PG&E on behalf of SVCE to resolve various outstanding questions about the technical processes that will need to occur to enable the submission of pilot rates into MIDAS.

Once the data integration has been completed, the transfer of data for all pilot rates between Calpine and SVCE will occur. Calpine cannot provide cost estimates to support this process until PG&E provides necessary documentation.

All costs associated with the Pricing Engine provided by GridX are covered by PG&E throughout the life of the pilots. SVCE plans to evaluate load, customer benefits, adoption rates, systems, and processes during the duration of the CPUC pilots to determine the infrastructure it will need post-pilots. At this time, SVCE has not determined if it will continue to use GridX following the pilots' completion or if they will consider other options to ensure SVCE's dynamic generation rates are accurately reflected and uploaded into MIDAS.

B. Rate Identification Number (RIN)

In order to provide RIN(s) on customer billing and online accounts using both text and QR code, SVCE will provide PG&E with customer generation, export compensation, and bill protection costs for bill presentment. However, PG&E's billing system must be updated to reflect the RIN(s) and QR code. PG&E will be leading this development because it is the entity responsible for metering customer usage, and providing bill presentment to SVCE's customers. SVCE looks forward to working with PG&E and Calpine to agree on:

- bill presentment;
- implementation plan and timeline;
- billing system update plan and current progress; and
- proposed text design and QR code design and proposed placement.

At this time, SVCE has not begun to plan for a QR code-linked webpage on its website. MIDAS and related systems' structures and processes, including the RIN tool, must be finalized first before investing resources to design and implement modifications to the website. However, SVCE does plan on running a robust customer education and awareness campaign that details customer value and access to hourly rates.

In order to support the development of a Single Statewide RIN Access Tool, SVCE staff and third-party service providers (i.e., Calpine) participate in the Statewide RIN Access Tool working group meetings. SVCE has committed three employees to support the RIN Access Tool working group – a Data Analytics Manager, an Energy Services Specialist, and a Real Time Pricing (RTP) Specialist. SVCE's focus will be on customer ease of use and an accurate representation of customer rates. Beyond participating in the working group, it is still unclear what ongoing resource commitment will be necessary from SVCE to support the launch of the tool. As working group discussions develop, SVCE will determine the resources needed to launch what the working group ultimately decides is the best format for a Statewide RIN Access Tool. In order to support compliant implementation of the tool, the funding mechanism for the tool and a load serving entities review and identification of its internal infrastructure's role in connection with the mechanics of the tool will need to be defined. SVCE plans to continue to participate in the working group and will make additional resource commitments once it is determined what is needed to support the implementation of the RIN tool.

V. Background on Development of Marginal Cost-Based Rates, Programs and Rate Structures

In order to understand the process through which SVCE has considered developing marginal cost-based rates or public programs it is important to clarify SVCE's role as a generation-only service provider. SVCE service replaces the PG&E generation service on a customer's bill. All of SVCE's time-dependent rates are collected through generation rates. SVCE does not have any distribution or transmission rates, time-dependent or otherwise and SVCE's Board has the sole authority to approve SVCE generation rates.[7]

SVCE does not plan on developing marginal cost-based rates in the near-term but instead, if its Board approves, may largely adopt the IOU developed marginal cost-based rate, to be launched by July 1, 2025. Following Board approval, SVCE could plan to provide customers with access to the PG&E developed marginal cost-based rates by July 1, 2027. However, through the duration of the CPUC pilots, SVCE plans to explore opportunities to customize its hourly generation rates and provide customer access to marginal cost-based rates through unique program design. SVCE also plans to build customer awareness and incent marginal cost-based rate enrollment.

Uploading time dependent rates into MIDAS has informed SVCE of the significant technical challenges that must be addressed in order to offer rate structures and programs that use a real-time pricing signal to incent behavioral change. Until SVCE has had the opportunity to learn from the hourly pilots launched in 2024, SVCE cannot comment on potential generation rate structures or existing systems and

[7] SVCE's current rates can be found at: https://svcleanenergy.org/electricity-rates/.

processes. However, it is critical that SVCE has the structures to be able to offer its customers generation rates that are different from PG&E generation rates.

VI. Description of Demand Flexibility Analysis Methodology

SVCE explored the potential impacts of real time pricing on SVCE's energy portfolio costs in order to begin to understand, with the information available at the time this plan was developed, how real time pricing might affect SVCE's energy costs. SVCE analyzed how potential changes in load would affect the energy cost of serving that load based on forecast market prices. SVCE does not know the exact rates its customers would be paying or know the manner in which its customers would respond to real time pricing. This is due to the fact that to date, none of the real time pricing pilots SVCE plans to participate in have begun enrollment due to pilot start date delays and consolidations with the creation of an entirely new pilot, which is yet to have its implementation details finalized.[8]

Because of the lack of information available on which to base assumptions for an analysis of the potential impacts of real time pricing, SVCE developed scenarios for load change based on existing studies of the potential for load shedding. Existing sources were used to develop values that were then used as a proxy for changes in customer energy usage by customer class. The analysis did not attempt to examine possible load shifting outcomes and instead solely examined the potential for load shedding. The decision was made to only analyze potential load shed, effectively functioning as a demand response resource, because actual load shed represents the most material impact to SVCE's energy purchase costs. Additionally, load shifting would add a level of complexity to the analysis not warranted given the uncertainty around the inputs to the analysis. Moving to real time pricing will very likely result in load shifting but the maximum potential for load shedding will reveal the maximum range of savings to SVCE's energy cost portfolio that could be realized.

Three scenarios (Table 1), in addition to a Base Case, were developed to understand how energy portfolio costs could change based on varying levels of customer participation and addressable load. The Base Case represents SVCE's load forecast based on the average of actual usage by customer class for the past three years (2020-2022). SVCE examined the potential impacts of real time pricing for 2024-2027, the years during which real time pricing pilots are expected to launch and operate.

[8] CPUC Decision 24-01-032, which approved the pilots, requires the IOUs to file Advice Letters containing the implementation plans at the end of March 2024. These will then go through the CPUC's Advice Letter disposition process.

Table 1 Scenarios Analyzed

Scenario	Description
Low	• Based on assessment of SVCE customer class behavior and end uses • Best estimate of realistic load shed potential • Conservative customer participation
Medium	• Less conservative assessment of participation and load shed potential
High	• Based on very robust customer participation and generous load shed potential assumptions • Extreme bookend of potential; unlikely to be realized

First, in order to estimate customer participation and addressable load, SVCE staff leveraged internal knowledge of SVCE's unique customer class behavior, the results of the 2006 California Commercial End-Use Survey (CEUS), and the 2015 Lawrence Berkeley National Laboratory Demand Response Potential Study.

These sources informed the assumptions developed for market segment participation by customer class and incrementally addressable load by customer class. The percentages of assumed impact for each of the three scenarios are listed in Table 2 and Table 3.

Table 2 Market Segment Participation Assumptions

	Scenario		
Customer Class	**Low**	**Medium**	**High**
Agricultural	5.0%	10.0%	30.0%
Large Commercial	1.0%	2.5%	5.0%
Lighting and Traffic Control	0.0%	0.0%	0.0%
Residential	0.0%	0.4%	2.1%
Small Medium Commercial	0.5%	1.0%	3.0%

Table 3 Incrementally Addressable Load Assumptions

	Scenario		
Customer Class	**Low**	**Medium**	**High**
Agricultural	5.0%	10.0%	10.0%
Large Commercial	1.0%	8.0%	17.0%
Lighting and Traffic Control	0.0%	0.0%	0.0%
Residential	0.5%	4.0%	8.0%
Small Medium Commercial	5.0%	10.0%	15.0%

Second, SVCE staff extrapolated the 8,760 hours of load in each year for 2024-2027 using SVCE's existing hourly load forecast. The Base Case was then adjusted to create load profiles for each scenario based on the relevant customer participation and addressable load assumptions.

Finally, SVCE uses Ascend Analytics' PowerSIMM™ platform for portfolio management and utilized the modeled hourly CAISO NP-15 prices provided by Ascend Analytics to calculate the energy costs for each scenario. The energy costs were then calculated by multiplying the changes in load across scenarios by the forward curves. As described in Section VII.D. below, due to on-going uncertainty in the Resource Adequacy (RA) market and regulatory structure, SVCE excluded any quantification of capacity value in the cost analysis.

VII. Results

A. Cost Effectiveness

SVCE examined the cost effectiveness of moving to real time pricing through the lens of the demand flexibility analysis described in Section VI. Although portfolio energy costs are a narrow lens through which to evaluate cost effectiveness, SVCE staff determined that with the current assumptions available and plethora of unknowns, a narrow evaluation of cost effectiveness could be completed for SVCE's first LMS Plan. When developing future Plans, SVCE will have the results from the various CPUC demand flexibility pilots and plans to use those actual results to inform a more robust evaluation of real time pricing.

For the purposes of this Plan, cost-effectiveness was evaluated as the ratio of dollars saved to dollars spent. SVCE plans to broaden the way it evaluates cost-effectiveness in future LMS Plans by using a cost-effectiveness evaluation metric that is more inclusive of the entire sphere of benefits that could result from dynamic rates (e.g., by using the Total System Benefit test.)

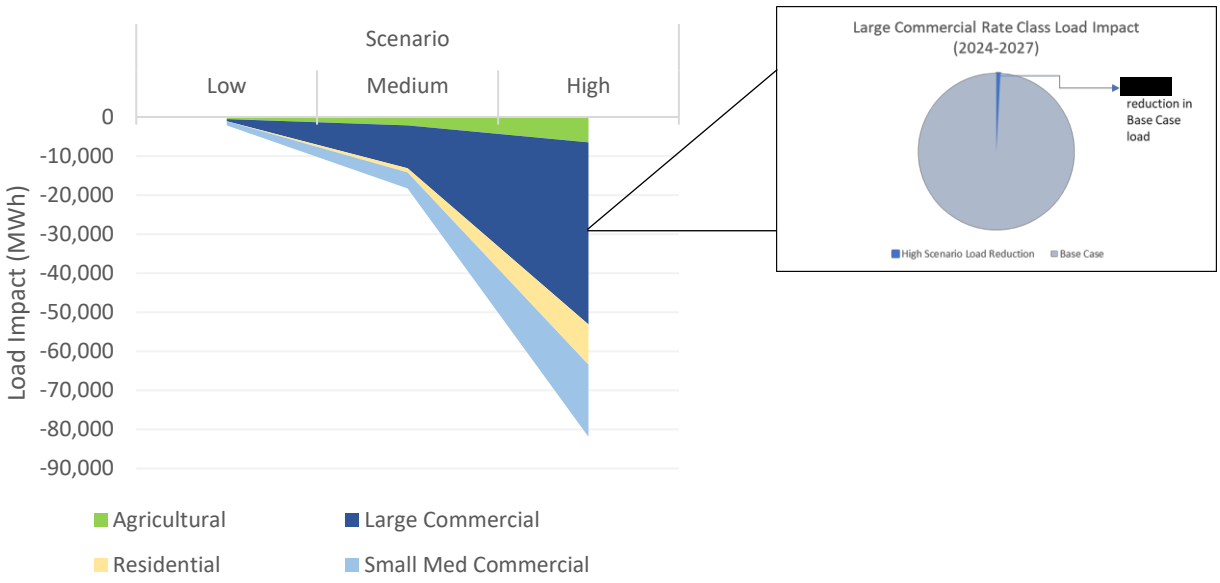
The cost impact of the Low, Medium, and High Scenarios were compared to the Base Case costs. As illustrated in Table 4, cost savings across scenarios and years are negligible when compared to the energy portfolio costs of the Base Case. This is due to the fact that even in the High Scenario, load does not shed in significant enough quantities to make a meaningful impact (see Figure 3).

Table 4 Scenario Cost Savings as a Percentage of Base Case Costs

	Scenario		
Year	**Low**	**Medium**	**High**
2024	0.013%	0.110%	0.495%
2025	0.013%	0.109%	0.495%
2026	0.013%	0.110%	0.495%
2027	0.013%	0.110%	0.497%

As would be expected, across all four years, the Low Scenario has the least effect on load (2,121 MWh), the Medium Scenario results in increased load reductions (18,273 MWh), and the High Scenario results in the largest amount of total load reductions (81,904 MWh). When viewing the load impact results by customer class, the greatest load impact occurs in the large commercial class segment. The residential class has the smallest impact on load in both the Low and Medium scenarios. However, under the High Scenario, the agricultural customer class has the smallest impact on load. These results indicate that it may be more beneficial for SVCE to focus its demand flexibility efforts on its large commercial customers. However, even under the High Scenario, large commercial yields a reduction in Base Case load of only [redacted].

Figure 3 Total Load Impact Across Scenarios by Customer Class (2024-2027) with Large Commercial High Scenario Load Impact Callout



SVCE staff estimates that implementing real time pricing from 2024-2027 would cost [redacted] in total (see Table 8). This cost estimate is based on SVCE staff's evaluation of the staffing, systems, and marketing costs that would be incurred and is described in further detail in Section VIII. Cost savings for each scenario do not vary significantly year over year. These results indicate that under the most realistic

assumptions for market segment participation and addressable load (Low Scenario) SVCE would save [redacted] in energy costs. The High Scenario would result in slightly over [redacted] dollars of energy cost savings. These savings represent only 0.5% of total forecast Base Case energy costs across 2024 through 2027. However, many of the costs included in the cost estimate represent one-time upfront costs. If SVCE had examined offering dynamic rates over a time horizon beyond 2027 and accounted for benefits beyond modeled energy costs, then the cost-effectiveness indications would differ. As mentioned above, SVCE is evaluating the use of more inclusive cost effectiveness metrics such as the Total System Benefit test to widen the scope through which the benefits of dynamic rates can be examined.

Table 5 Energy Cost Impact (Savings) 2024-2027

Year	Scenario		
	Low	Medium	High
2024	[redacted]		
2025			
2026			
2027			
All			

B. Equity Evaluation

SVCE defines underserved communities, broadly, as those that have historically been excluded from participating in the benefits of electrification and/or have low energy security. SVCE's underserved communities face multiple barriers that could prevent them from benefiting from the dynamic rate pilots. These households may lack the flexibility to shift their energy use to off-peak times due to rigid schedules and lack of access to smart appliances and technology, or may receive communications about how to shift their energy usage in a language they do not speak. Participation often requires smart meters yet some customers in mobile home parks and multiunit dwellings do not have smart meters. As a result, communities without access to these appliances and technologies cannot participate in dynamic pilots and may face higher overall energy costs. In addition, households that are already struggling with energy insecurity may find it challenging to adapt to the fluctuating prices in the RTP pilots. RTP rate structures must include price protection (e.g., shadow billing) to eliminate financial risk for these customers, which is especially crucial to encourage pilot rate adoption in underserved communities. SVCE knows that other barriers will arise in helping all of its customers benefit from future dynamic rates and plans to learn more about necessary solutions during the upcoming dynamic rate pilots.

SVCE is taking specific steps to address underserved communities and will look for opportunities to address barriers that keep customers from accessing and benefiting from dynamic rate pilots. Today, SVCE provides lower rates for income-qualified customers, has developed a Programs Equity Framework to help incorporate key considerations into its decarbonization program work, and uses the CPUC's Socioeconomic Vulnerability Index (SEVI) metric to guide program planning and design, rate evaluation, and ongoing community engagement and outreach efforts. These tools and how they will be used to support equitable demand flexibility efforts are described below.

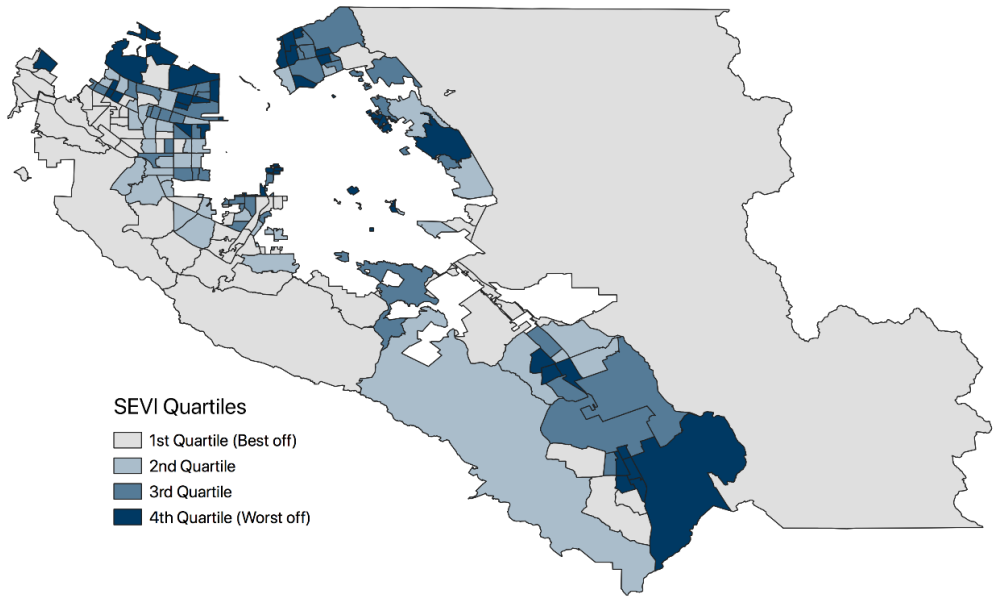
1. Program Equity Framework

SVCE's decarbonization programs and community outreach are customer-focused and designed to be inclusive of the needs of underserved communities. SVCE utilizes an internally developed Programs Equity Framework to guide a process for learning and considering needs of underserved communities, defining these groups, understanding their current state of DER adoption and barriers, designing programs that serve these groups, and tracking ongoing impacts of SVCE programs. Learnings from the Programs Equity Framework, combined with program evaluation, monitoring, and verification data will be used to guide future program design, including for dynamic rate pilots.

2. Socioeconomic Vulnerability Index (SEVI)

SVCE has identified the SEVI, originally developed as part of the CPUC's Affordability Report, as the primary equity indicator to be used to identify underserved communities and develop programs and rate evaluations. SEVI captures education attainment, housing burden, linguistic isolation, poverty, and unemployment at the census tract level to paint a picture of energy security and decarbonization participation. SVCE has calculated the SEVI metric for all census tracts in our service territory and grouped the tracts into four quartiles, as shown in Figure 4, below. DACs within SVCE's service territory, as defined by CalEPA, are exclusively in the SEVI 4 quartile.

Figure 4 SEVI Quartiles in SVCE's Territory



SVCE has performed an analysis to understand the different demographics in these SEVI quartiles using utility and tax assessor data. Table 6 shows a high-level overview of some example statistics by SEVI quartile that SVCE uses to inform program design.

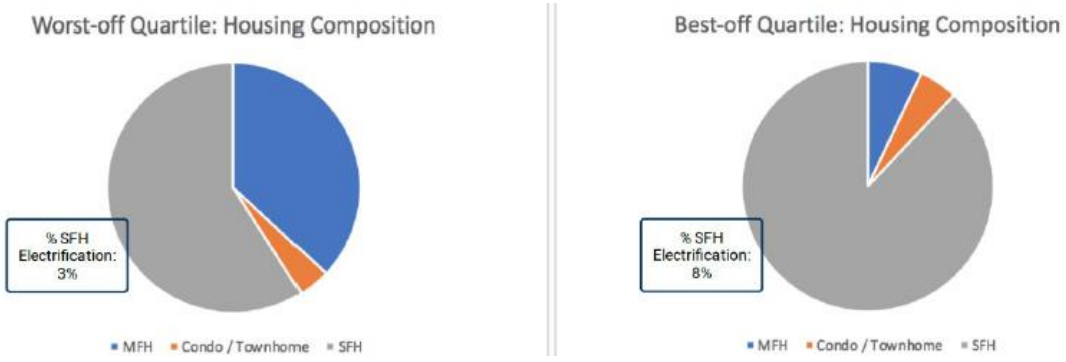
Table 6 SEVI Quartiles and Key Demographic Information

	SEVI 1	SEVI 2	SEVI 3	SEVI 4
Residential Accounts	53k (23%)	62k (27%)	64k (28%)	44k (19%)
Population	177k (19%)	251k (27%)	245k (26%)	242k (26%)
CARE/FERA Accounts	2.8k (10%)	4.6k (17%)	8.2k (30%)	10.5k (39%)
Median Income	$166,000	$145,000	$117,000	$79,000

The goal of using SEVI as a primary indicator is to provide a first pass at identifying varying community and customer demographics, associated decarbonization needs, and to support and track how those needs are being met. SEVI quartiles help SVCE staff think about program design, outreach, and rate evaluation, and to analyze program participation data to better understand how different groups engage with SVCE's programs.

Figure 6 demonstrates one example of the value of using SEVI as the primary equity indicator. Housing composition varies among SVCE customers in SEVI 1 (best-off) and SEVI 4 (worst-off) quartiles. Considering that the population in SEVI 4 tends to have lower electrification rates overall is important but understanding the differences in housing composition is critical to decide how best to formulate offerings for this underserved community.

Figure 5 Housing Type Comparison of SEVI 4 (Worst-off) and SEVI 1 (Best-off) Quartiles



3. SVCE Equity Programs

Summarized in Table 7 are a sampling of programs that were designed, launched and/or evaluated using the Programs Equity Framework and SEVI metrics. These programs strive to provide underserved communities with electrification opportunities and tools to flex their demand, reduce their electricity bill, and address the LMS goals.

Table 7 Programs Designed, Launched, and/or Evaluated Using the Programs Equity Framework and SEVI Metrics

Transportation Electrification Programs	Description	LMS Goal	Status
Charging Installation Incentives Program (CHIIP)	Incentives for L1 and L2 EV charger installations at existing multifamily properties. Deeper incentives provided for affordable housing properties.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
Priority Zone DC Fast Charging Program	Incentivizes EVSE vendors to install DC fast chargers within specific priority areas in proximity to older multifamily housing that would be harder to add chargers at.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
California Electric Vehicle Infrastructure Project (CALeVIP)	Incentives for DCFC and L2 EV charger installations at multifamily properties, public parking lots, or retail locations. Deeper incentives for installations in disadvantaged and low-income communities.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
CEC REACH Grant EV Infrastructure Direct Install	Match funding provided to Ecology Action to install EV charging technology to serve multifamily residents in disadvantaged and low-income communities.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing

Building Electrification Programs	Description	LMS Goal	Status
FutureFit Homes	Up to $8K incentives for residents to install heat pump water heaters, heat pump space conditioning, panel upgrades and pre-wiring. Additional rebates of $5K for income-qualified and CARE/FERA customers.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
FutureFit Homes	Up to $20K in incentives for small and medium businesses to replace gas appliances with electric. Additional rebates of $5K for non-profit organizations.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Ongoing
Clean and Healthy Affordable Multifamily Properties Program (CHAMP)	Electrify 300 to 1,000 units + install 125 EVSE ports at existing deed-restricted affordable multifamily properties at no cost to property owners or tenants. Buildings will be enrolled in SVCE's E-ELEC rate.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Design underway
Accessible Financing Pilot	Direct installation of electrification upgrades to selected low-moderate income customers, with the goal of achieving customer bill savings and load shifting to offset upfront costs of electrification upgrades.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Design underway
Single-Family Turnkey and Direct Installation Services	Direct installation of electrification upgrades for low-income customers at no-cost and market-rate customers with transparent costs using SVCE contractors. Also includes emergency water heater replacement services.	Goal 4: Reducing fossil fuel consumption and GHG emissions	Planning stage

Resilience/Other	Description	LMS Goal	Status
Medical Baseline Battery	Partnered with a local non-profit to give away (free) portable batteries to customers on medical baseline rates living in tier 2 or 3 PSPS area to sustain life-supporting equipment during power outages.	Goal 2: Encouraging the control of daily and seasonal loads to improve system efficiency and reliability	Ongoing
Community Resilience	Provided grants to member jurisdictions to improve resilience to climate change at their critical facilities. Included solar and/or battery storage installations, cool pavement, and other measures. Battery installations have potential to be enrolled in grid resilience through DR platforms.	Goal 3: Lessening/ delaying the need for capacity additions	Ongoing
Territory-specific heat wave assessment	Map and track heating trends across service territory to develop more accurate predictions for space-cooling technology adoption with special considerations for load growth and GHG emissions impacts. Conclusions will be used to consider incentives for HPHVAC systems for heat-vulnerable customers.	Goal 1: Encouraging the use of energy at off-peak hours	Complete

C. Technological Feasibility Evaluation

SVCE has evaluated technological feasibility through a near-term perspective: operation of the CPUC pilots to offer real time rates temporarily; and through a long-term perspective: permanent operation of a real time rate offering. In order to support the implementation of the CPUC's dynamic rate pilots, SVCE will be working through its back-office provider, Calpine, and PG&E to operationally support the dynamic rate pilots and plans to use existing systems that are already available.

All costs associated with the Pricing Engine will be recovered by PG&E through CPUC-jurisdictional ratepayer funding throughout the life of the pilots. During the period the pilots are operating, SVCE will evaluate the effectiveness of existing processes to determine whether ongoing use of PG&E's Price Machine, which will cost approximately [redacted] per year makes operational sense or whether switching to another provider would be more beneficial. However, the systems that will need to be in place to support long-term implementation of real-time rates will be costly and load entities should be able to recover shared categories of costs for the development of systems and processes through a statewide ratepayer mechanism.

Various issues have already arisen that indicate that the technological feasibility of offering permanent long-term dynamic rates depends on numerous changes to the near-term pilot implementation systems. First, CCAs require the ability to provide customers with unique rates that are different from PG&E's bundled generation rate – today this will be accomplished through a manual process of submitting emails with adjustments to PG&E; PG&E will then update the Pricing Engine. This cumbersome process is required because the Pricing Engine is a closed system that cannot be accessed by any entity other than PG&E. The lack of automation and long-term systems approach for SVCE to reflect discounted and unique hourly rates in billing systems and in MIDAS must be coordinated amongst the three entities involved with billing: PG&E, Calpine and SVCE. Second, the MIDAS upload is unnecessarily labor-intensive, time consuming and must be automated once the MIDAS systems are more stable. Due to the number of LSEs uploading to MIDAS at approximately the same time, Calpine has experienced the following technological challenges during MIDAS uploads:

1. MIDAS Server Fragility: when MIDAS access is high, the server cuts off rates haphazardly. If Calpine attempts any methods for uploading more than one rate at a time, MIDAS drops about a third of the rates.

2. MIDAS Server Latency: MIDAS receives rates very slowly - about 30 seconds per rate. Now that modifiers are included in the upload requirements, each CCA upload can take many hours or the better part of a day. Because Calpine is responsible for multiple rate uploads, completing the MIDAS upload requirement can take 3 days or more. This is an additional three days beyond the ten days needed for Calpine to incorporate new/revised rates into their systems.

3. MIDAS Server Congestion: MIDAS can freeze and stop responding when many LSE's are uploading at the same time. To-date, the only solution suggested has been for users to attempt manual uploads after 8PM or on weekends to avoid peak upload times.

Calpine is working closely with PG&E to test file transfers to PG&E's billing system but as of the drafting of this Plan, Calpine has not received all files to ensure smooth data integration.

Additionally, although SVCE's time-dependent generation rates are accurately uploaded to MIDAS, SVCE staff does not control transmission and distribution rate uploads and so cannot validate the compiled customer rates.

Finally, the LMS require SVCE to upload rates into MIDAS prior to their effective rate date. Given today's TOU billing system processes, and the MIDAS Server challenges described above, it is not possible to provide all customers rates into MIDAS prior to the effective rate date.

Through Calpine, SVCE provides PG&E with customer generation and export compensation and bill protection for pilot bill presentment. However, PG&E's billing system must be updated to reflect the applicable RIN(s) and QR code. PG&E will be leading this development and SVCE looks forward to working with PG&E and Calpine to agree on:

- bill presentment
- implementation plan and timeline
- billing system update plan and current progress
- proposed text design and QR code design and proposed placement on the bill

Finally, broader issues related to CCAs being able to successfully implement hourly rates and or programs that access hourly rates to encourage flexible load shifts post-CPUC pilots were documented in the CPUC's Demand Flexibility proceeding (Rulemaking 22-07-005). In order to support compliance with the LMS, certain processes regulated by the CPUC that intersect with the LMS must be resolved. It is critical that CCAs have the opportunity to learn from pilots and that there is flexibility to revise pilots as needed improvements arise. The CPUC should continue to facilitate data sharing and data collection between PG&E & SVCE. More specifically, the CPUC should require PG&E to provide billing quality usage data to CCAs at hourly or sub-hourly intervals and require all IOUs to provide non-billing quality hourly customer interval usage data for CCA load forecasting and offering dynamic pricing to unbundled customers.

For the long-term dynamic rate system, the CPUC should require the use of MIDAS as a price portal, with necessary upgrades as determined by the CPUC and CEC. The CPUC should require IOUs to provide CCAs access to customer usage data and if dual enrollment between demand response programs and demand flexible rates is prohibited, the CPUC should require IOUs to provide customer enrollment data in demand response programs. Additionally, the CPUC should ensure equivalent bill presentation between bundled and unbundled customers.

D. Grid Benefits Evaluation

Any reductions to the capacity needs of a portfolio due to real time pricing are indicative of the potential grid benefits of real time pricing. The electrical grid is built to have enough capacity to meet the peak load on the system and if customer demand can be shifted to times when grid conditions are more favorable, or altogether shed, then the grid stands to become more reliable. As described in Section VI, SVCE examined the potential changes to load under three different scenarios representing a low, medium, and high level of real time pricing responsiveness. These load scenarios were also examined for their potential peak savings in order to understand the potential contributions of SVCE's portfolio to reducing peak demand on the grid.

When compared to the Base Case, the High Scenario resulted in the greatest peak reductions across all months, reducing SVCE's peak load on average by 3.2 MW. The Medium Scenario reduced the peak load

by an average of 0.88 MW, while the Low Scenario reduced the peak by an average of 0.11 MW. In terms of inter-month variability, the greatest peak savings occurred in September.

As a CPUC-jurisdictional load serving entity, SVCE is required to procure RA product to meet the CPUC's RA program obligations. The RA program ensures that load serving entities have sufficient capacity to meet their peak load along with a reserve margin. SVCE staff considered associating the peak savings across scenarios with the potential dollar value of RA product savings that SVCE could realize. However, given the current RA market volatility in California, SVCE staff determined that any savings amount calculated using today's pricing would likely not produce results that would be indicative of future outcomes. In addition to general RA market volatility, the RA program in California is currently transitioning to a Slice of Day framework and it is not yet clear how the market will respond and what RA pricing will be under the Slide of Day structure.

Furthermore, load serving entities need clarification from the CEC regarding whether reductions to load resulting from real time pricing would be processed by the CEC and applied to their calculation of a load serving entity's load, which is used to set CPUC RA obligations. Whether the load impacts of real time pricing will be considered load modification to the forecast or be considered supply-side RA, remains an open question. For the abovementioned reasons, SVCE staff focused only on calculating peak savings, which indicated that the scenario most indicative of realistic real time pricing uptake (Low Scenario) has a very minor impact on SVCE's Base Case peak load.

E. Customer Class Benefits Evaluation

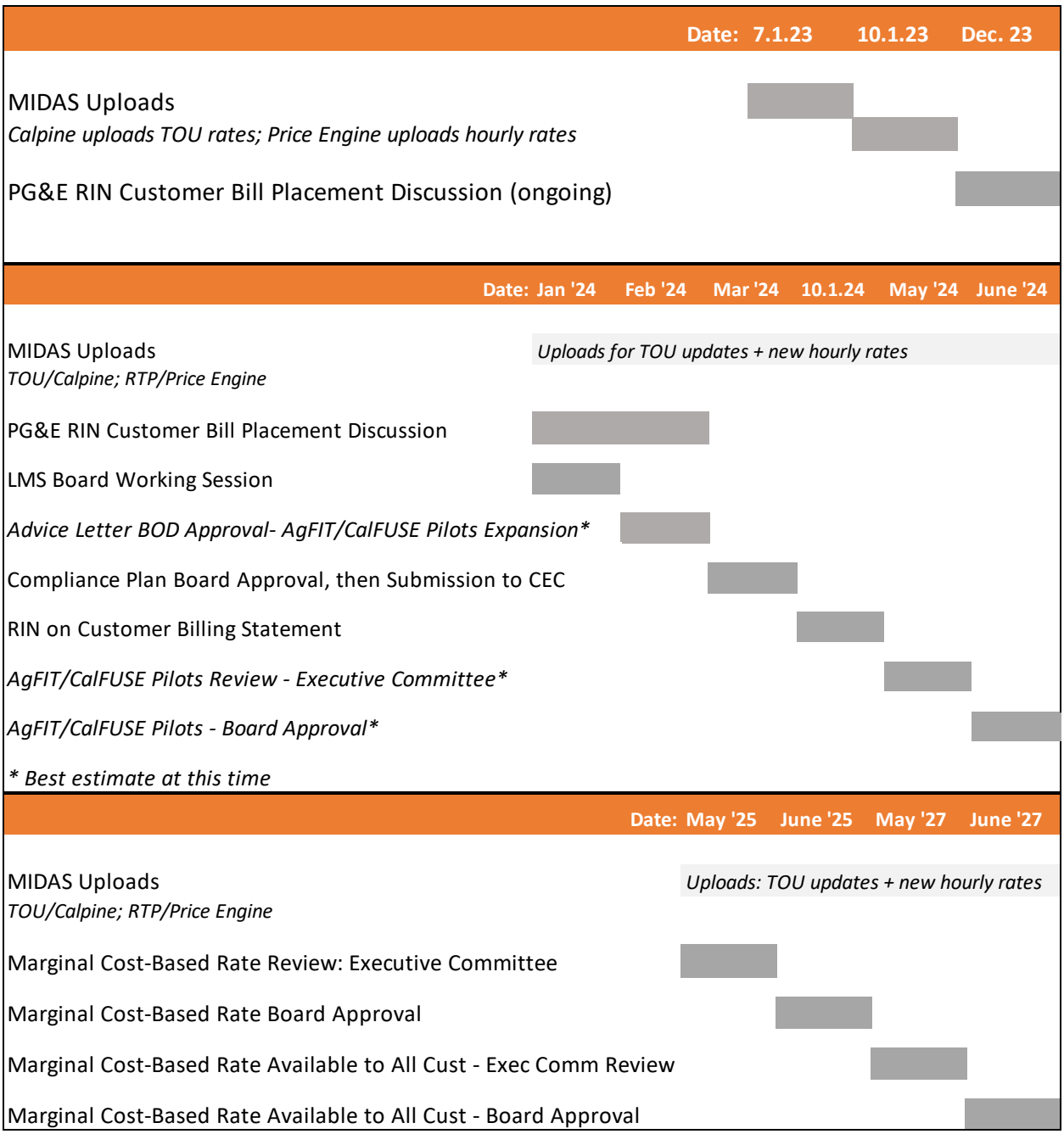
Today, SVCE has no hourly generation rates available for general customer enrollment. Therefore, it is not possible to quantitatively evaluate customer benefits by customer class. However, there are several unknowns that will directly impact customer adoption rates. First, the final PG&E pilot rate structures and associated pilot implementation details for the CPUC's real time pricing pilots are not yet known. Second, customers have limited customer access to behind-the-meter automation technology. Third, the level of customer acceptance of risk to market rates and new, complex rate structures is not known. Finally, the ease of access to rates prior to, and following the operability of the statewide RIN tool for access to MIDAS is currently still under development.

Following the launch of the CPUC pilot rates, SVCE will evaluate its resulting customer data to better understand potential flexible load shifts and associated savings. Marketing, education and outreach plans to build awareness and understanding based on these results will be used to encourage customer enrollment if clear customer benefits result.

VIII. Marginal Cost Rates Implementation

SVCE is closely tracking the timelines for the implementation of marginal cost-based rates and has developed Figure 6 to illustrate its implementation plan. The figure includes the process for receiving SVCE Board approval of rates.

Figure 6 Near-term Marginal Cost Based Rate Implementation and MIDAS Compliance Timelines



In terms of SVCE's commitments to-date for permanent marginal rate design, SVCE has not yet committed to anything because it plans to make resource commitments after the effective dates of the pilots, so that the learnings from the pilots can inform these commitments. However, it has mapped the resources needed to support marginal cost-based rates in the near term (Table 8). SVCE estimates that it will spend $2.3 million to support pilot implementation of marginal cost-based rates in the near term. These costs are made up of two categories: labor and staffing, including both the start-up costs in Year 2024 and ongoing annual implementation costs through 2027. Other costs include (i) marketing,

education, and outreach; (ii) IT and systems; (iii) customer support; (iv) annual bill settlements support; and incentive costs.

Table 8 Total Costs to Implement Real Time Pricing Across the Four Years Analyzed

Cost Summary				
Year	**2024**	**2025**	**2026**	**2027**
Labor/Staffing	[redacted]			
Other Costs				
Total Annual Costs				

In order to build out internal infrastructure within SVCE that works to support marginal cost rates adoption, SVCE will review its current billing system's compatibility with permanent dynamic rate offerings and develop an improvement plan before amending any of SVCE's existing systems. SVCE will learn from existing pilot rate system processes and plan accordingly.

IX. Conclusion

SVCE's evaluation of its current and future rate and program offerings in order to support the goals of the LMS indicates that SVCE has already contributed to meeting the LMS goals and is on track to continue encouraging the use of energy at off-peak hours to improve grid system efficiency and reliability and reduce California's GHG emissions. SVCE's future plans for offering dynamic rates or programs that respond to dynamic rate signals are tied to the outcomes of the CPUC's various dynamic rate pilots. SVCE has committed resources to support dynamic rates and plans to continue working with California's agencies and relevant stakeholders to resolve the technological challenges that could prevent successful long-term implementation and customer uptake of real time rates or slow down the near-term implementation of the pilots.

SVCE acknowledges that real-life results from the CPUC pilots will be more indicative of future outcomes than the assumptions-based modeled energy cost benefit analysis included in this LMS Plan. The results of the CPUC pilots will allow SVCE to expand the lens through which cost effectiveness can be examined. SVCE hopes to gain information about realized customer and grid benefits and expand the cost-effectiveness perspective it uses to evaluate those benefits in future LMS Plans.

SVCE is excited to partner with the CEC, CPUC, and PG&E to help develop the rates and programs that will move customers to a dynamic-signal incentivized world and help make a meaningful impact to the operations of California's grid and energy emissions profile. Although the task is not easy, as illustrated by the numerous challenges that have already arisen, with a persistent and collaborate approach, SVCE believes that the LMS goals can continue to be met. SVCE also believes that dynamic rates will be a key tool for optimizing the grid of the future and that they will allow load serving entities to align customer incentives for consumption with their procurement costs more granularly than is possible today. With much of the expected growth in new load over the next 10-20 years coming from building and transportation electrification, SVCE is confident that electricity end users will have more opportunities to shift their usage based on a dynamic price signal.

Attachment A

[Data will be transmitted to the CEC in .xlsx file format]

Information About Other Load Serving Entity Load Management Standards Compliance Plans

Note: Investor Owned Utilities (IOUs) and Publicly Owned Utilities (POUs) defined as "Large" by the Load Management Standards (LMS) were required to file their LMS compliance plans in the Fall of 2023.

Name of Load Serving Entity	Link to Compliance Plan	Key Information in Plan
Pacific Gas and Electric Company (PG&E)	https://efiling.energy.ca.gov/GetDocument.aspx?tn=252489&DocumentContentId=87506	• PG&E has been developing its preferred real time pricing rate as part of various California Public Utilities Commission (CPUC) proceedings for the past several years (the CPUC approves IOU rates) and has received approval for several real time pricing pilots. • PG&E plans to use its real time pricing pilots to inform its plan for achieving LMS-compliant rates. • PG&E plans to file an application for LMS-compliant dynamic day-ahead hourly rates for each customer class in its next GRC Phase II filing (Q3 2024). • PG&E is enhancing its billing capability to support hourly rates.
Southern California Edison Company (SCE)	https://efiling.energy.ca.gov/GetDocument.aspx?tn=252487&DocumentContentId=87505	• SCE has been designing rates based on marginal costs that include time-dependent relationships for many years and is now focused on transitioning from production model-based marginal energy costs to hourly locational marginal energy cost and the development of marginal cost-based transmission rates. • SCE currently has a pilot in place that will inform the development of a LMS compliant real time pricing rate.
San Diego Gas and Electric Company (SDG&E)	https://efiling.energy.ca.gov/GetDocument.aspx?tn=252478&DocumentContentId=87498	• SDG&E is seeking approval from the CPUC for a real time pricing pilot (at the time its plan was filed it had not yet received approval for a pilot like the other IOUs had). • SDG&E expects to file its real time pricing application at the CPUC sometime in Q3 of 2024. • SDG&E has created a real time pricing department that has been and will continue to work on all dynamic pricing issues.

Sacramento Municipal Utility District (SMUD)	https://efiling.energy.ca.gov/GetDocument.aspx?tn=253402&DocumentContentId=88616	• SMUD has not conducted a dynamic rate pilot and does not have supporting data on estimated implementation costs or benefits. • SMUD cannot conclude, based on its qualitative evaluation of dynamic rates, that implementing real time prices that change at least hourly would result in material reductions in peak load relative to SMUD's existing time-dependent rates and programs, or be cost effective. • SMUD's evaluation also does not demonstrate that adding new programs or modifying existing programs to enable automated dispatch based on real time pricing signals is likely to provide material incremental reductions of peak load or other benefits relative to SMUD's current programs.
Los Angeles Department of Water and Power (LADWP)	https://efiling.energy.ca.gov/GetDocument.aspx?tn=253631&DocumentContentId=88868	• The implementation of marginal cost-based rates according to the timeline required in the LMS would result in extreme hardship to LADWP and is not technologically feasible. • LADWP plans to delay compliance with implementing real time pricing until such time as implementing dynamic rates would be technologically feasible and equitable. • LADWP will continue to address identified challenges, actively look into options, and plans to pursue Meter/IT/Billing infrastructure that can facilitate the Load Management Standards requirements.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1g

Item 1g:	**Executive Committee Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Larry Klein, Executive Committee Chair
Date:	3/13/2024

The Executive Committee met February 23, 2024 with all six members present and discussed SVCE's proposed Load Management Standards compliance plan, received an update on SVCE's policy review update, discussed a proposed assignment of funds to new and existing programs, and received information on the 2023 SVCE and electric awareness residential customer survey results.

Citlalli Sandoval, Senior Regulatory Advisor, presented the proposed Load Management Standards Compliance plan. At the last Executive Committee meeting, staff provided an introduction to the plan; the purpose of the presentation this time around was to get the Executive Committee's feedback and support to recommend that the Board of Directors adopt the proposed SVCE Load Management Standards plan. The Executive Committee discussed the proposed plan in great length, suggesting staff include information about other load serving entity plans. Due to the strategic nature of the subject covered in the report staff proposed to offer an in-depth review of rates and affordability issues in an upcoming study session. The Executive Committee also discussed having the item on Consent, which was supported given dynamic rates are projected to have a very small impact on SVCE's load. The Executive Committee voted to unanimously support the recommendation for the Board of Directors to adopt the plan.

Gia Ilole, Director of Human Resources, introduced SVCE's Policy Review project, which outlined the project plan of SVCE staff to review the existing 48 SVCE policies to determine if they should remain board approved policies or be repurposed as an internal standard or procedure for staff. Director of Human Resources Ilole noted revised policies would be brought back to the Board of Directors for approval, the list of retired or realigned policies would be reviewed, and policies would be reviewed on a consistent basis.

Justin Zagunis, Director of Decarbonization Programs and Policy, provided a presentation seeking feedback from the Executive Committee on proposed program funding assignments. The Executive Committee was supportive of the proposal, which will be presented to the Board of Directors for consideration at the March board meeting.

Adam Selvin, Director of Energy Services and Community Relations, and Michaela Pippin, Principal Communications Specialist, presented an informational item on the annual residential customer survey results. These results will also be included on the Consent Calendar at the March board meeting.

Materials from this meeting can be found on SVCE's website: SVCE Executive Committee Meeting, February 23, 2024

The next meeting of the Executive Committee will be March 22, 2024 at 10:00 a.m.; materials will be posted no later than 72 hours in advance of the meeting.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1h

Item 1h:	**Finance and Administration Committee Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Hung Wei, Finance and Administration Committee Chair
Date:	3/13/2024

The Finance and Administration Committee met for its first meeting of the year on Monday, February 26, 2024 with three of four committee members present; the committee selected me as Chair and Alternate Director Murali Srinivasan as Vice Chair.

Amrit Singh, SVCE's CFO and Director of Administrative Services, provided an informational overview on SVCE's planning and budgeting process and proposed financial stress test scenarios for 2024. Information covered included a timeline of the budgeting and planning process, an overview of Enterprise Risk Management and Stress Tests, review of key drivers of financial risks, and review of planned financial stress test scenarios. The next steps identified were for staff to present the financial stress test scenario analysis results at the May Finance and Administration Committee meeting, and to use the risks and opportunities identified from the enterprise risk management framework to shape the next fiscal year's strategic focus areas and workplan.

CFO and Director of Administrative Services Singh presented a staff recommendation for the committee to recommend the SVCE Board of Directors approve the mid-year adjusted operating budget, which projects contributing $112.6 million to SVCE's reserves. CFO Singh's presentation included the budget timeline, changes since the adoption of the annual budget in December, a comparison of mid-year and annual adopted budget key line items, a review of five-year reserve projections, and a staffing update on additional positions that would bring total full-time employees to 62. Following CFO Singh's presentation, the committee voted to recommend that the SVCE Board of Directors approve the proposed mid-year 2023-2024 adjusted operating budget. This item will be on the March Board meeting agenda for the Board's consideration.

CFO and Director of Administrative Services Singh presented a report of SVCE's third prepay transaction, which reviewed the goals of the prepay, reviewed execution parameters, and provided a summary of executed transactions. This third prepay will provide an average savings of $7.7M annually through 2032.

Gia Ilole, Director of Human Resources, presented information on staff's policy review project. This topic was brought up at the last meeting of the Finance and Administration committee, and staff has been working on a project plan to review existing policies to identify which policies need to be revised, realigned/retired or reassigned as an internal standard or procedure. Staff plans to bring recommendations back to the committee as the project progresses and the policies are reviewed.

Materials from this meeting can be found at the following link: SVCE Finance and Administration Committee Meeting, 2/26/24.

The next Finance and Administration Committee meeting is anticipated for May 2024 and will be determined by Finance and Administration Committee member availability; materials will be posted 72 hours before the meeting.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1i

Item 1i:	**Audit Committee Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Bryan Mekechuk, Chair, Audit Committee
Date:	3/13/2024

On behalf of the Audit Committee, I am submitting this report to the Board of Directors. I regret that, due to airline changes to my international travel, I will not be able to attend the Board of Directors meeting on March 13, 2024. Vice Chair Sheila Mohan will attend that meeting.

The Audit Committee held its first meeting of 2024 on Thursday, February 29, 2024. Returning members to the committee included Alternate Director Sergio Lopez (City of Campbell), Sheila Mohan (City of Cupertino), Committee member Harjot Sangha (City of Gilroy) and me (City of Monte Sereno). Three Committee members participated in person, and one was remote.

The Audit Committee selected me to continue serving as Chair and Director Mohan to continue serving as Vice Chair for 2024.

Amrit Singh, CFO and Director of Administrative Services, gave an overview of SVCE's primary inhouse finance functions and accounting services provided by Maher Accountancy, reviewed the purpose of the Audit Committee, reviewed the financial audit process, and discussed the timing of future Audit Committee meetings. Mr. Singh outlined that the primary users of the audited financial statements include bond rating agencies and counterparties to power purchase agreements. He stated that SVCE has no regulatory filing requirements for its audited financial statements.

On February 19, 2024, as Chair of the Audit Committee, I met with Mr. Kellin Gilbert, the partner with Pisenti & Brinker LLP that is responsible for auditing SVCE so I could ask him questions regarding the financial audit without management present. During that meeting, Mr. Gilbert asked me questions relating to management.

At the Audit Committee meeting, Mr. Gilbert presented the results of the Fiscal Year 2022-23 financial audit to the group; he explained that the audit was almost complete and, based on their work, Pisenti & Brinker expects to issue an unmodified audit opinion (a "clean audit opinion"). Importantly, Pisenti & Brinker did not find any significant deficiencies in internal controls, did not have any disagreements with financial accounting and were not expecting to propose any adjustments to the financial statements. Mr. Gilbert stated there were no disagreements with management concerning the scope of their audit, the application of accounting principles, or the basis for management's judgements on any significant matters. Mr. Gilbert confirmed his firm was independent of SVCE.

Mr. Gilbert confirmed that, if there were any items found upon completion of the audit that would affect the audit opinion then he would contact the Audit Committee. Mr. Gilbert expected the date of the audit opinion to be February 20, 2024.

Following the presentation, the Audit Committee voted unanimously that if Pisenti & Brinker issues a clean audit opinion then the Audit Committee recommends the SVCE Board of Directors accept the audit report and findings; this recommendation will be presented to the Board for consideration at the March 13, 2024 Board of Directors meeting.

Agenda Item: 1i **Agenda Date: 3/13/2024**

The last item discussed at the Audit Committee meeting was presented by SVCE's Senior Manager of Technology and Administrative Services Nik Zanotto on SVCE's technology audits/assessments and cybersecurity efforts.

Materials from this meeting can be found at the following link: SVCE Audit Committee Meeting, 2/29/24.

The next meeting of the Audit Committee is anticipated to be in September 2024 and will be determined by Audit Committee member availability; materials will be posted no later than 72 hours in advance of the meeting.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1j

Item 1j:	**California Community Power Report**
To:	Silicon Valley Clean Energy Board of Directors
From:	Girish Balachandran, CEO
Date:	3/13/2024

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, this is to report CC Power held a regular board meeting on Wednesday, February 28, 2024.

Attached is a summary report from General Manager Alex Morris; materials from the January board meeting can be found here on the CC Power website: CC Power Meeting, 2/28/24

The next meeting of the board will be March 20, 2024 at 1:00 p.m.; meeting materials can be found on the CC Power website: https://cacommunitypower.org/meetings/

ATTACHMENTS:
1. CA Community Power Board Meeting Summary from General Manager Alex Morris, February 28, 2024

California Community Power

901 H St, Ste 120 PMB 157, Sacramento, CA 95814 | cacommunitypower.org

TO: CC Power Board of Directors and Alternates **DATE:** 3/6/24
FROM: Alex Morris – General Manager
SUBJECT: **Report on CC Power Regular Board of Directors Meeting – February 28, 2024**

The CC Power Board of Directors held its regularly scheduled meeting on February 28, 2024, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: Meetings and Agendas – ca community power

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** None.
- **Public Comment.** None.
- **Consent Agenda** - The Board approved the following items:
  - Minutes of the Regular Board Meeting held on January 17, 2024
- **Regular Agenda Items**:
  - The Board reported that there were no reportable matters from the January 17th Closed Session.
  - The Board discussed a draft set of potential agreements that CC Power's Board might adopt in response to the Getting It Built Right event and to considerations or potential policies on Project Selection and Evaluation criteria. These draft agreements, presented by an Ad Hoc Committee on Getting It Built Right, seek to ensure CC Power considers and defers to members' Boards for setting members' policies, while promoting education and awareness on current practices for project selection criteria.
  - The Board unanimously adopted *Resolution 24-02-01, Adoption of CC Power Policies: Delegations of Authority, Financial Policy, and Budget Policy*. These policies further guide and detail how CC Power operates in these operational areas.
  - The Board unanimously adopted *Resolution 24-02-02, Adoption of CC Power Policies: New Member Policy*. This policy defines a process for how CC Power will consider candidate CCAs for membership in CC Power.
- **General Manager Report –** the Board heard several updates, including on the Inflation Reduction Act Phase 2a (Build-Transfer exploration) project, and on 2024-2025 work and budget planning.

- **Closed Session –** the Board discussed General Manager performance and 2024 goals.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1k

Item 1k**:**	**Legislative Response to Industry Transition 2024 Ad Hoc Committee Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Andrea Pizano, Sr. Executive Assistant and Board Clerk
Date:	3/13/2024

The Legislative Response to Industry Transition 2024 Ad Hoc Committee has not yet met; the first meeting of the committee is expected to be held in late March or early April 2024 and will be scheduled based on member availability.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 2

Item 2:	**CEO Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Girish Balachandran, CEO
Date:	3/13/2024

REPORT

Staff Updates

David Hicks joined SVCE February 26, 2024 as a Data Engineer supporting the Power Resources team. David brings a range of technical skills and abilities that will help the Power Resources department optimize and scale the work we're doing in managing our wholesale portfolio. This includes helping refine existing data workflows, building new data structures, and working on the ongoing Business Process Optimization (BPO) project. David has a varied background in research and technology roles in the private sector; he also has a Masters of Science and Bachelor of Science in Materials Science and Engineering, both from Virgina Tech.

Kaila Kiefer joined SVCE March 5, 2024 as our new Decarbonization Fellow. She's joining us through the Climate Corps program and will be on the DPP team supporting our Small-to-Medium Business Rebates program as well as assisting with some invaluable research and data collection to support our residential programs. Kaila brings administrative law experience as well as a background in operations management where she has handled customer relations, marketing, systems optimization, and outreach and engagement to local businesses. Kaila holds a Bachelors in Environmental Studies from CSU San Bernadino and a Master of Environmental Law and Policy from the Vermont Law School.

Personnel Officer Update

Under the Personnel Authority we have added two positions, a General Counsel and a Board Clerk/Executive Assistant, the former is in the pre-employment stage and the latter will be posted soon.

SVCE has two job postings: Wholesale Energy Markets Planner or Manager and Energy Trading Planner or Manager. Job descriptions and applications can be found on SVCE's website: Current Job Openings

CalCCA Annual Meeting Registration – Last Call

This year's CalCCA annual conference is scheduled for April 16-18, 2024 in San Jose. For Board members who are unable to attend the full conference, there will be a scheduled elected officials lunch. Board members who are interested in attending should reach out to Board Clerk Andrea Pizano for registration.

CEO Agreements Executed

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

1) SMUD, Task Order: SMB Program Support, not to exceed $122,740, expires 1/31/26
2) SMUD, Task Order 4: Charging Installation Incentives Program (CHIIP) Support, not to exceed $149,090, expires 1/31/26
3) SMUD, Task Order 5: Priority Zone Direct Current Fast Charging (PZDCFC) Program Support, not to exceed $39,270, expires 1/31/26

4) Cohen Ventures, Inc., Agreement: Pro Bono Market Data Analysis in Support of Inclusive Utility Investment Program Design, 2/15/24 – 12/31/26
5) NewGen Strategies & Solutions, Task Order: Fixed Cost Analysis, not to exceed $22,552, expires 12/31/24
6) Cascade Energy, Amendment: Decarbonization Consulting, extends date to May 31, 2024
7) School of Thought, Agreement: Marketing and Advertising Services, not to exceed $300,000, 3/1/24 – 2/26/26. Approved by the Board of Directors at the 2/14/24 Board of Directors meeting.
8) Arup, Agreement: Electrification Solution Analysis, not to exceed $295,000, 2/15/24 – 10/30/24. Approved by the Board of Directors at the 2/14/24 Board of Directors meeting.

CEO Power Supply Agreements Executed
There have been no power supply agreements since the last report.

Presentations & Relevant Meetings Attended by CEO
- Participated in CalCCA Monthly board and executive meetings
- 2/28/24, CC Power Board Meeting (meeting report included on Consent Calendar)

ATTACHMENTS
1. Clean Power Update, March 2024
2. Decarbonization Programs Quarterly Report, FY24 Q1 Milestones
3. Energy Services & Community Relations Update, March 2024
4. Regulatory and Legislative Update, March 2024
5. Agenda Look Ahead, March 2024 – July 2024

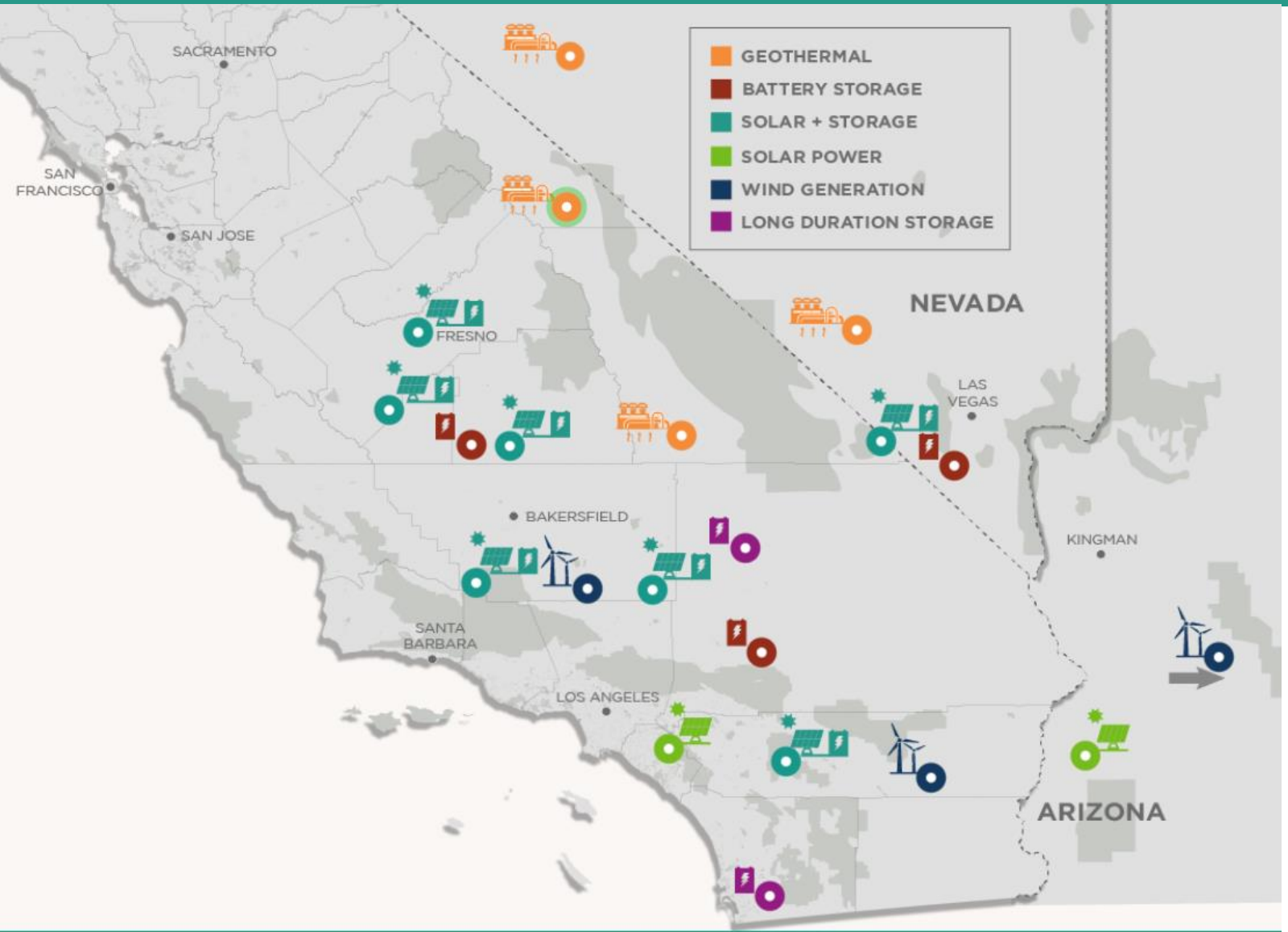


CEO Report
Clean Power Update

SVCE Board Meeting
March 13, 2024

SILICON VALLEY CLEAN ENERGY

Clean Long-term Power Agreements



- $3.7B+ in commitments
- 21 PPAs signed
  - 18 new build projects
- 896 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

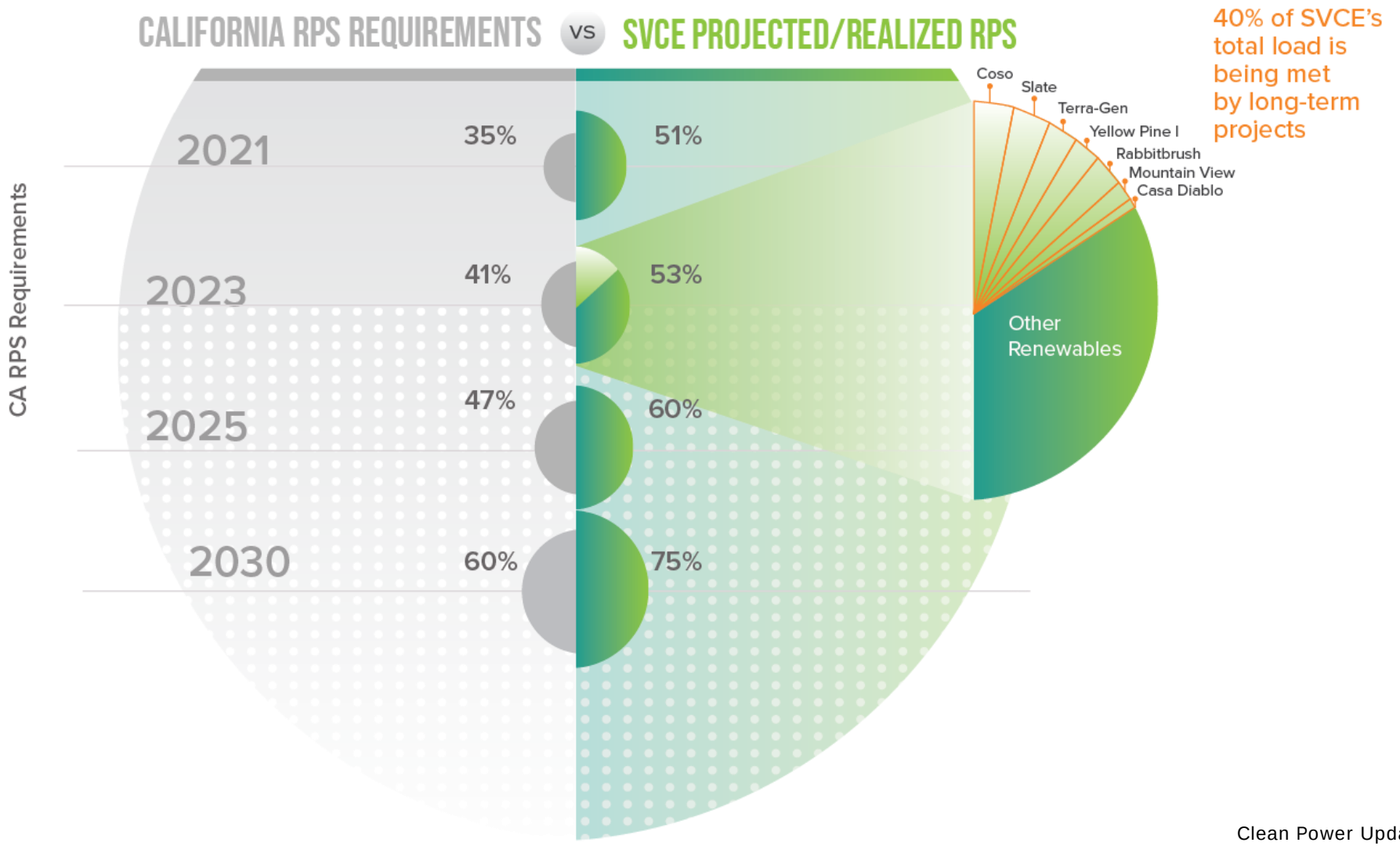
SVCE Long-Term Clean Energy Contracts

	Seller	Project Name	Technology	Generation MW	Storage MW	Storage MWh	Approximate % of Annual load in 2030	Term (years)	Lifetime Not to Exceed Authority (MM$)	SVCE Board Approval	Status
1	MN8	Slate	Solar + Storage	93	46.5	186	6.2%	17	$198	Oct-18	Online
2	Ormat	Casa Diablo	Geothermal	7			1.4%	10	$43	Feb-20	Online
3	Atlantica	Coso	Geothermal	43.8			6.1%	15	$331	Mar-20	Online
4	Leeward	Rabbitbrush	Solar + Storage	40	8	20	2.9%	15	$64	Apr-20	Online
5	NextEra	Yellow Pine	Solar + Storage	50	26	104	3.8%	20	$128	May-20	Online
6	Avantus	Aratina	Solar + Storage	80	50	200	6.3%	20	$368	Jun-20	Pre-construction
7	174 Power Global	Atlas	Solar	50			3.6%	10	$32	Jan-21	Pre-construction
8	SB Energy	Angela	Solar + Storage	20	10	40	1.4%	15	$35	Mar-21	Pre-construction
9	AES	Mountain View	Wind	33.3			3.1%	20	$128	Apr-21	Online
10	Origis	San Luis West	Solar + Storage	62.5	15.625	62.5	3.9%	15	$132	Apr-21	Pre-construction
11	Clearway	Victory Pass	Solar + Storage	100	25	100	7.6%	15	$173	May-21	Construction
12	Terra-Gen	Cameron Crest	Wind	77.7			4.6%	15	$150	May-21	Online
13	Rev Renewables	Tumbleweed	Long Duration Storage		15.9375	127.5		15	$100	Feb-22	Pre-construction
14	Onward	Goal Line	Long Duration Storage		14.2	113.6		15	$100	Mar-22	Pre-construction
15	Ormat	Geothermal Portfolio	Geothermal	16.75			4.2%	20	$256	Jun-22	Pre-construction
16	OME	Fish Lake	Geothermal	1.82			0.4%	20	$30	Jun-22	Pre-construction
17	AES	Baldy Mesa (RA-only)	Storage	0	75	300		10	$81	Sep-22	Construction
18	MRP	Hanford	Thermal + BESS	99.4	131.4	131.4		12	$280	Apr-23	Pre-construction
19	NextEra	Grace	Solar	120	0		8.3%	15	$286	Aug-23	Pre-construction
20	NextEra	Yellow Pine III	Storage	0	115	460		15	$420	Aug-23	Pre-construction
21	Pattern	SunZia	Wind	100	0	0	7.6%	15	$361	Nov-23	Pre-construction

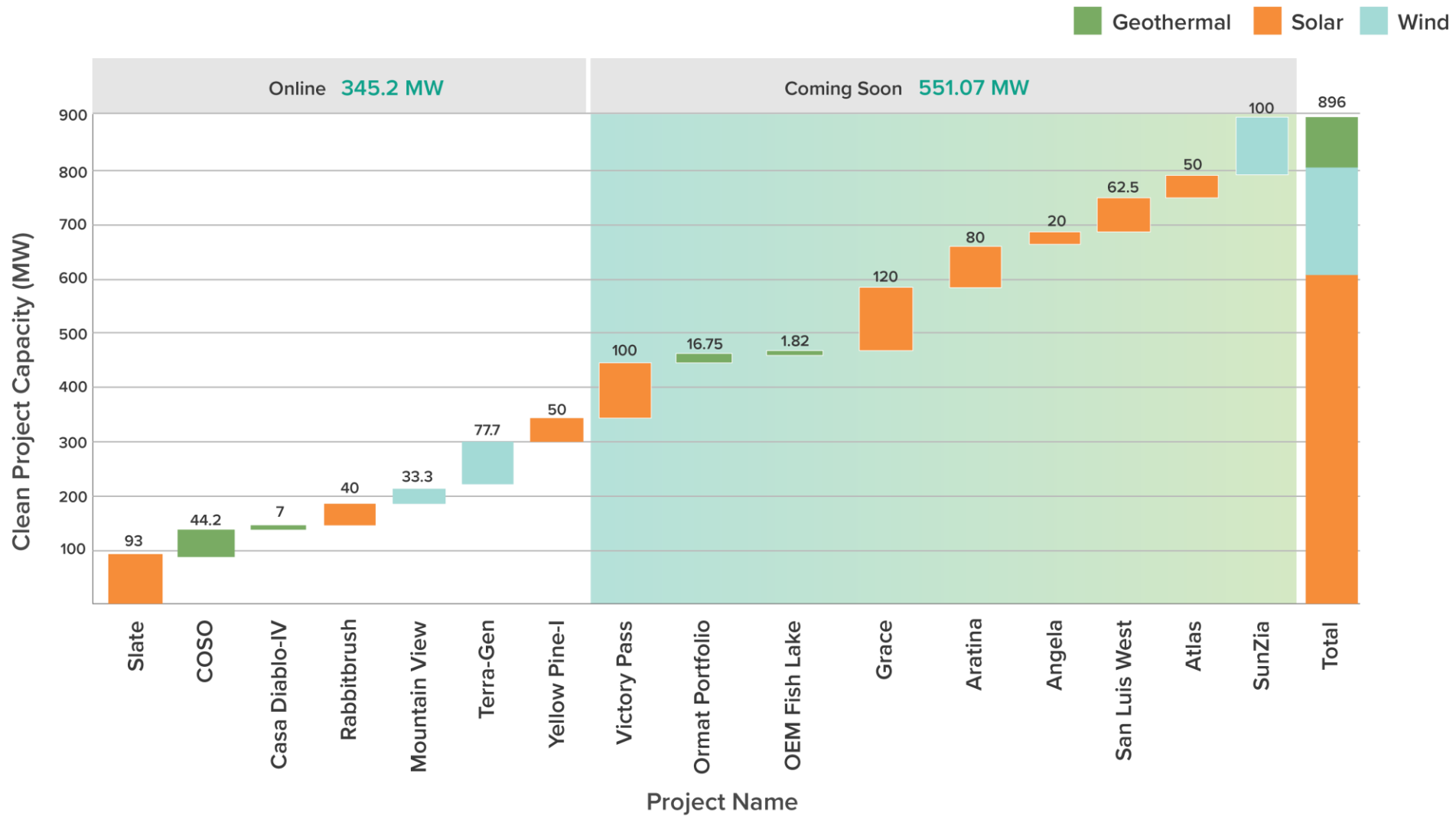
Clean Energy Resources Online Progress
as of 3/5/2024

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

SVCE Progress Toward RPS Requirements

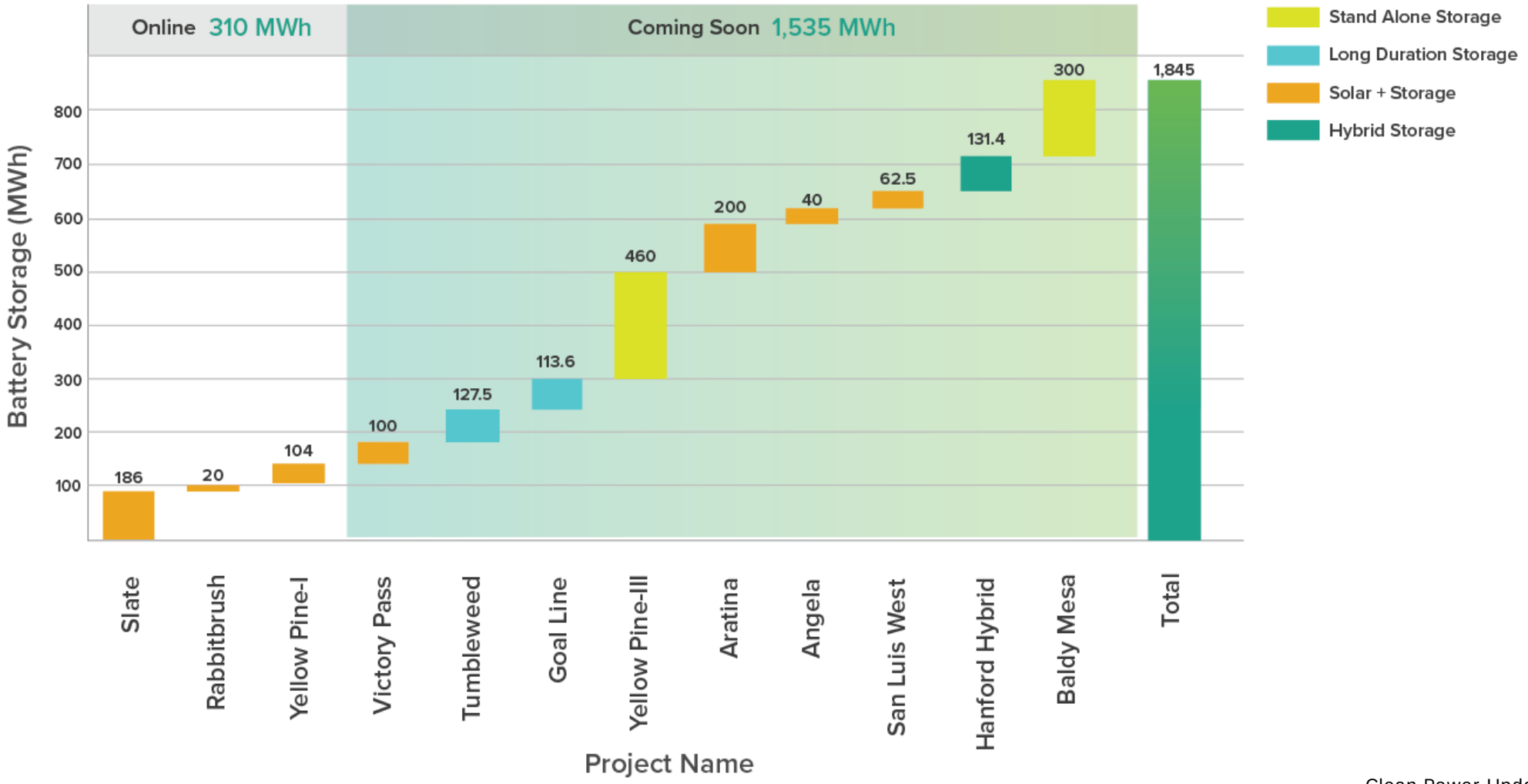


SVCE Has Contracted 896 MWh of Clean Generation Capacity



SVCE Has 1,845 MWh of Clean Storage

SVCE Battery Storage Projects



Victory Pass Solar + Storage

COD in Q1 2024

Developer: Clearway

Riverside County, CA

PV: 100 MW

BESS: 25 MW

Will meet approx. 8% of SVCE's load





THANK YOU!



DECARBONIZATION PROGRAMS

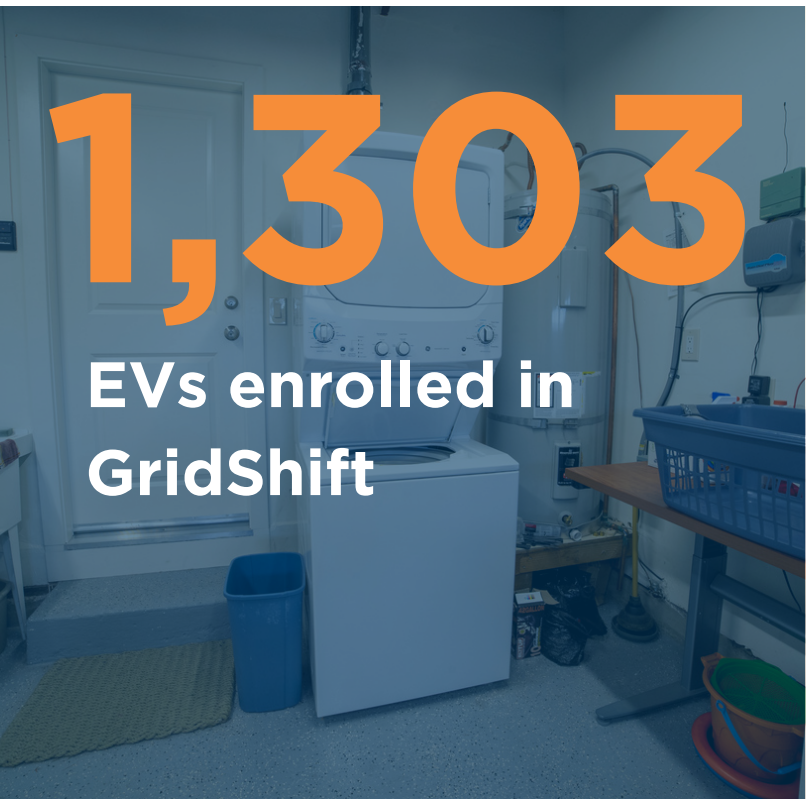
SILICON VALLEY CLEAN ENERGY

Quarterly Report

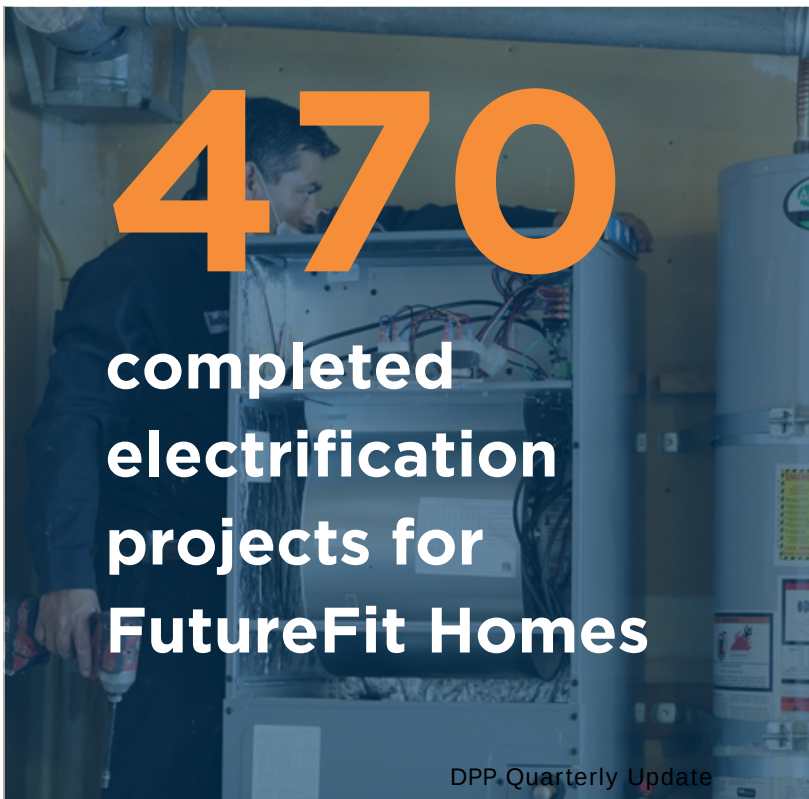
FY24 Q1 Milestones



1,200 E-ELEC customers enrolled



1,303 EVs enrolled in GridShift



470 completed electrification projects for FutureFit Homes

PROGRAMS PORTFOLIO

FY24 Q1

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	1,200 enrolled	Reevaluated program via design review, updating tracking system	2 awareness campaigns, targeted outreach, enrollment of 1,500 customers
CHIIP, including Affordable Housing EVI Incentives	$8.9M	• 25 MUDs with EVI • 4,000 L1/L2 chargers at affordable housing	• 23 reservations (198 ports) • 3 completed (18 L2 and 20 L1)	Processed applications and completed installations	Expand enrollment
CALeVIP 1.0	$6M	• 85 DCFC installed • 1,100 L2 installed	• 10 DCFC installed • 227 L2 installed	Continued monitoring installations	Continue making payments to DCFC and L2 projects as they are completed
Community Energy Resilience	$5.15M	13 agencies complete projects	13 agencies finalized agreements	Continued monitoring progress of projects	Develop engagement plan, develop standardized EM&V
FutureFit Homes - Residential Incentives	$4.05M	750 homes fully/partially electrified	470 homes fully/partially electrified	Continued to see strong uptake in Q1 FY24, around $400k in claims	Add induction and increase flexibility around other rebates, such as prewiring & electrical upgrades
Decarbonization Demonstration Grants	$3.2M	8 local public facing electric projects	1 project complete	Grantees continue to implement their projects	Prepare for a Summer release of a new solicitation for the $10M in new Board-approved funding
Permit Modernization	$3.2M	13 member agencies improve electrification permitting	Data gathered for all 13 agencies. Program just began rolling out	Launched, and began outreach to member agencies	Roll out in conjunction with policy experimentation and reach code modernization
FutureFit Fundamentals Contractor Training	$1.7M	• 300 contractors trained • 500 graduate incentives	138 contractors completed training	Continued offering online video training	Increase program marketing
FutureFit Homes and Buildings: C&I and SMB Incentives	$1.25M	20-30 SMBs electrified	2 SMBs fully/partially electrified	Campaigns sent, first 2 rebates completed and awarded	Increase outreach and engagement, particularly with school districts, and award 2 more rebate claims
Customer Resource Center (eHub)	$1.1M	• 1.5M email opens • 350K unique web visits	313K email opens, 313K web visits, 164 induction cooktop rebate claims	Sent email marketing, drove online traffic	100K email opens, 15K web visits, 50 induction cooktop rebate claims

PROGRAMS PORTFOLIO

FY24 Q1

Active Programs

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
Go Electric Advisor	$892K	3,600 customers use hotline, 1,200 use tech assistance, 350 use electrification plans	25 customers use service	Soft launched service mid-Q1	Ramp up the service to generate more customer demand
Priority Zone DC Fast Charger (PZDCFC) 2.0	$875K	10 DCFC installations near MUD hotspots	4 of 10 ports are live now (1 of 4 sites)	Waited for project installs	Monitor site construction progress and milestones
FutureFit Assist	$725K	• 60 assessments • 36 projects done • 250 ports	52 applications	Supported additional projects	Expand enrollment
GridShift EV Charging	$600K	Bill/emissions savings and load shifting capacity	• 1,303 EVs enrolled • 30 charger rebates	Continued enrolling EVs	Offer an ongoing enrollment incentive, launch a referral program, and continue e-mail marketing
Reach Codes 2.0	$600K	Require all new buildings to be emissions-free	13 agencies adopt electrification ordinances	Monitor and support agencies as the Berkeley legal case evolved (BAAQMD)	Present alternative reach codes to member agencies
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	7 fleets in progress	Supporting fleet transformations	2-3 agencies anticipate completing
SV Transportation Electrification Clearinghouse	$150K	Create cohort to enable equitable electrification.	In progress	Conduct relaunch to assess how to increase impact	Relaunch program
Lights On Silicon Valley	Power Supply Budget	750 SFH and 5 MF completed	657 enrolled SFH	Sunrun continued to enroll and install customers	Delivery begins
SV Building Electrification Stronger Together	$150K	Educate stakeholders about building electrification	30 new stakeholders engaged to date	Identified renters groups, workforce, and low-moderate income individuals as key stakeholders	Launch engagement incentive program to invite new feedback from members of workforce, housing, and LMI groups on SVCE programs

PROGRAMS PORTFOLIO

FY24 Q1

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	Contract with Association for Energy Affordability (AEA) approved in December 2023	Convene affordable housing developer and tenant rights groups to gather input on program design
Tariffed On Bill (TOB) Financing	$3M	500 to 1,000 customers finance electrification	Supported CPUC Working Group & Equity Committee with IOUs to develop Joint Proposal for a TOB financing pilot	Submit joint proposal to CPUC for consideration & complete bill savings analysis for SVCE territory
Innovation Onramp	$2.4M	1-2 pilot projects per year that advance electrification programs and strategies	Identified theme of application cycle	Open applications for pilot proposals
Existing Building Policy Experiment	$1.9M	Spur action on building electrification and reduce building gas combustion	Outreach to member agencies	Roll out in conjunction with policy experimentation and reach code modernization
Feasibility Assessment, Natural Gas Phase Out	$300K	Complete study that informs local, regional, and statewide policies	Issued RFP and selected vendor	Send contract to BOD and begin analysis

Closed/Inactive

Name	Budget	Summary
FutureFit Homes Heat Pump Water Heater	$1.5M	Program closed in December 2022, and active applications were transitioned to FutureFit Homes Incentives program
Electric Showcase Awards 2.0	$1.5M	150 applications, 16 winners, $95,000 awarded
Reach Codes 2019	$400K	Reach Codes 2019 were adopted by 12 of 13 member agencies, and 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

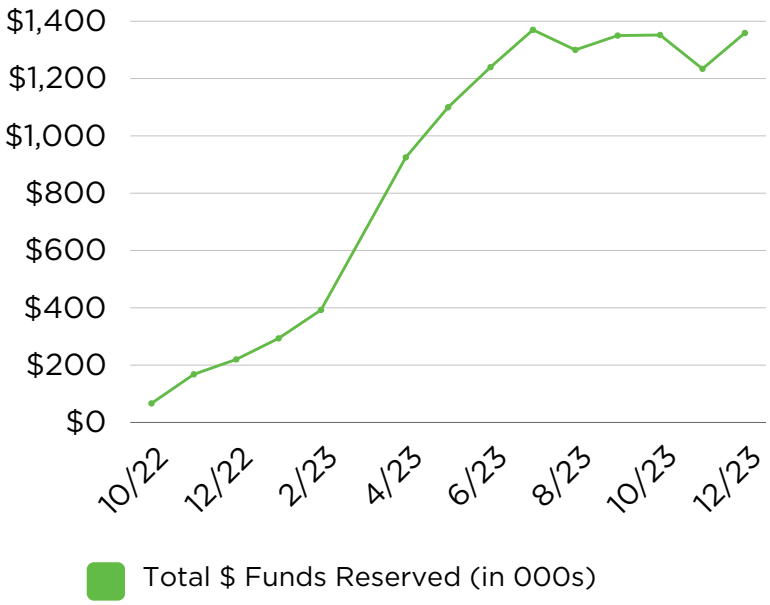
FY24 Q1

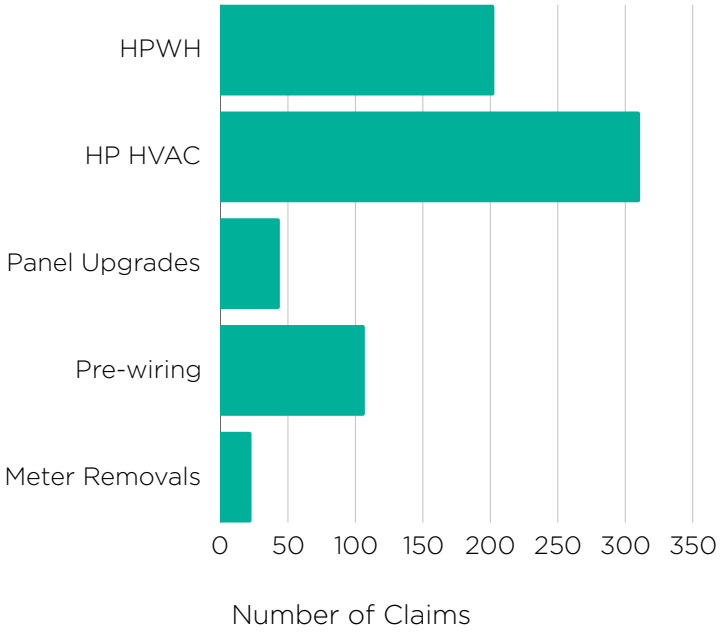
FutureFit Homes

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: $1.32M

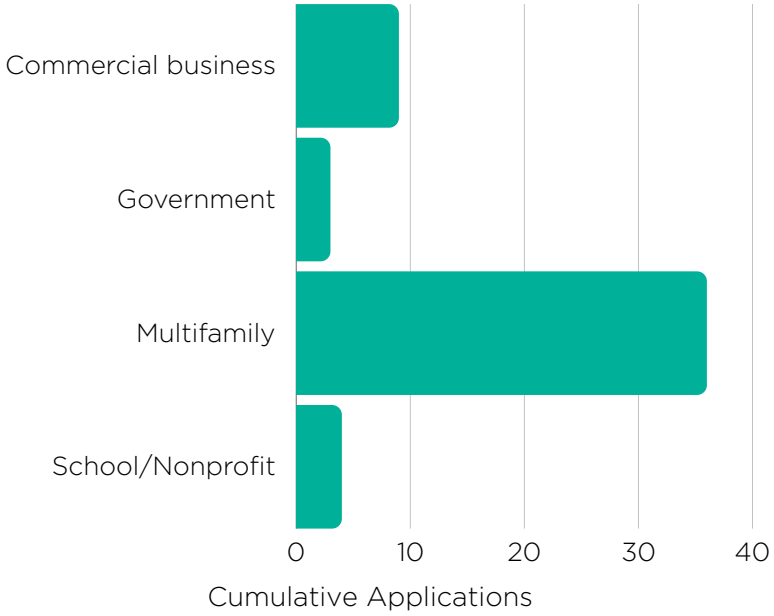
Rebates reserved: $1.36M





Future Fit Assist

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



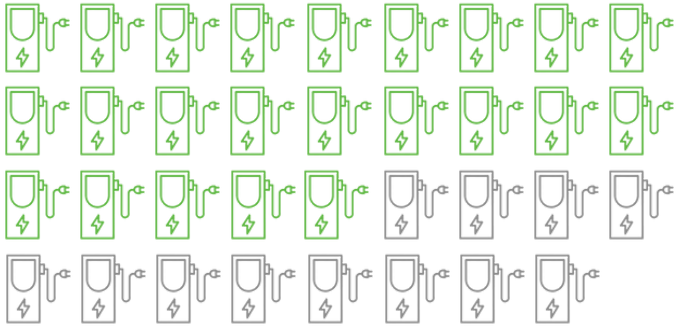
Charging Installation Incentive Program (CHIIP)

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

Funds Reserved: $883K

Approved Reservations: 23

Goal: 35 Sites, 150 ports



PROGRAMS HIGHLIGHTS

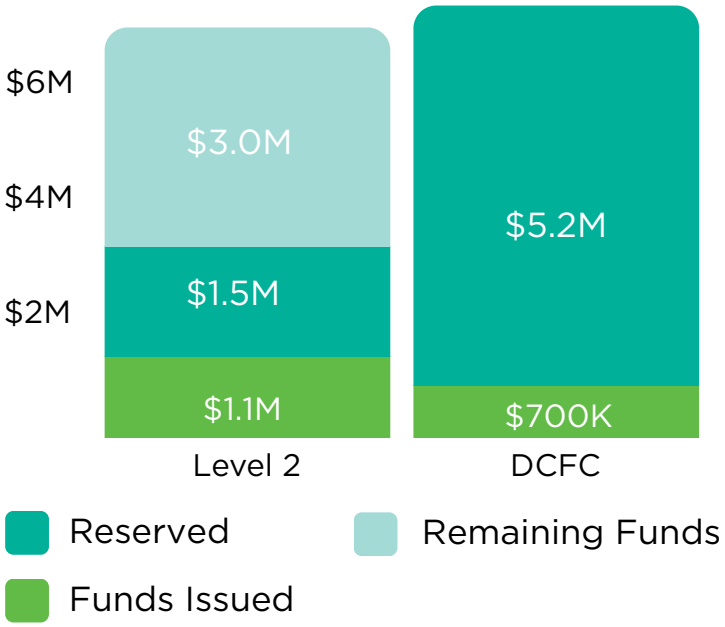
FY24 Q1

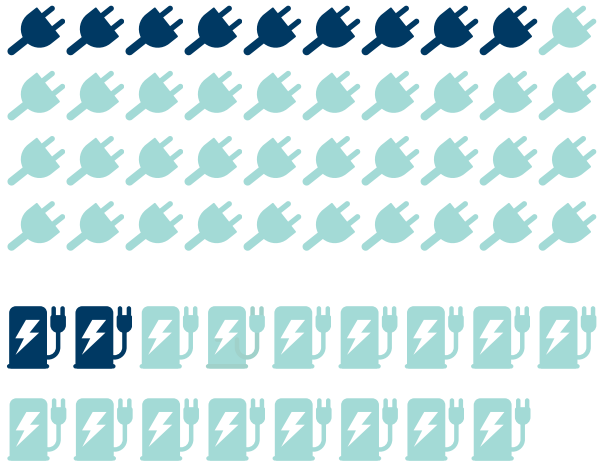
CALeVIP

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

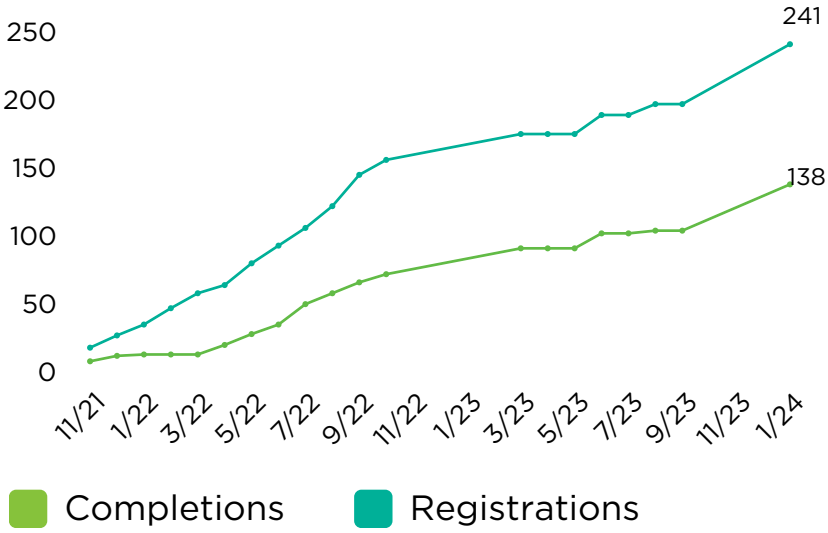
= 5 DCFC Installations

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)





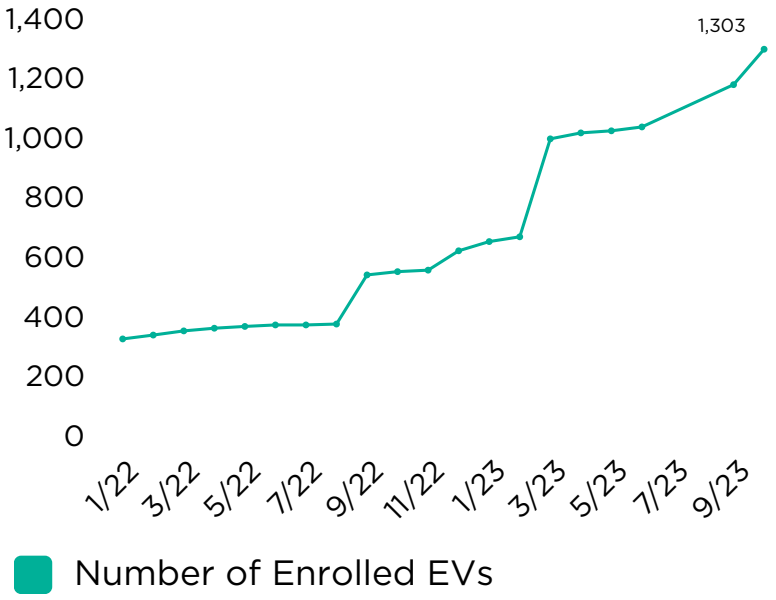
= 5 Participants Complete Course

PROGRAMS HIGHLIGHTS

FY24 Q1

GridShift EV Charging

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



Rebate Goal: $30K

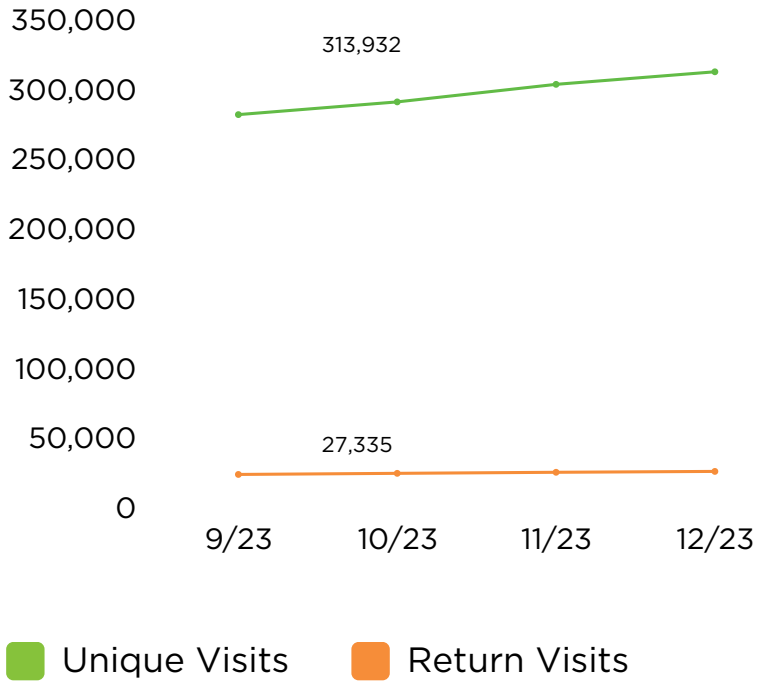
Goal: 120 EV Chargers



Charger Rebates Reserved: 30

eHub Report

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



Website Visit Goal:
Reach 350K Unique Visitors

Email Goal:
Conduct 6 email campaigns



= 1 email campaign completed

GLOSSARY

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.

1. Outreach Events & Sponsorships

Date	Sponsorship	Location
3/1/2024	**JVSV State of the Valley** 8:30 a.m. – 12:30 p.m. *Attendance and sponsorship*	SJSU Diaz Compean Student Union, 2nd Floor Ballroom 211 South 9th Street San Jose, California 95192
3/7/2024	**Silicon Valley Central Chamber Mayors' Breakfast** 7:30 a.m. – 10:30 a.m. *Attendance*	Embassy Suites by Hilton Milpitas Silicon Valley 901 East Calaveras Boulevard Milpitas, CA 95035
3/9/2024	**Silicon Valley Reads Education & Career Fair** 10 a.m. – 12 p.m. *Tabling*	Santa Clara County Office of Education 1290 Ridder Park Drive San Jose, CA 95131
3/23/2024	**Destination Electric: A Los Altos EV Showcase** 1 p.m. – 4 p.m. *Tabling*	Los Altos Community Center Parking Lot 97 Hillview Ave Los Altos, CA 94022
3/28/2024	**SV Reads Story Time at Gilroy Library** 10:30 a.m. – 11:30 a.m. *Attendance and Tabling*	Gilroy Library 350 W 6th St Gilroy, CA 95020

1. Outreach Events & Sponsorships (cont.)

Date	Sponsorship	Location
3/30/2024	**Bunnies & Bonnets Campbell Parade** Parade starts at 12 p.m. *Agency truck in parade*	Downtown Campbell, near VTA Light Rail tracks and run along Campbell Avenue to Third Street
4/2/2024	**SPUR Webinar: Reaching 1 Million Electric Vehicle Chargers by 2030** 12:30 p.m. – 1:30 p.m. *Sponsorship*	Virtual
4/5/2024	**Los Altos Village Association First Friday** 6 p.m. – 9 p.m. *Tabling*	State St & Main Street Los Altos, CA 94022
4/7/2024	**Science is Elementary 15th Anniversary Fair** 2 p.m. – 5 p.m. *Sponsorship and Tabling*	Los Altos Community Center 97 Hillview Ave Los Altos, CA 94022

2. Customer Participation

	Participation Rate	Overall Participation Rate
Residential	96.18%	96.23%
Commercial	96.62%	

SILICON VALLEY CLEAN ENERGY

3. EmPower SV Short Video Competition

SVCE is kicking off the Spring with the EmPower Silicon Valley Short Video Competition.

- Application period: February 26 - May 3
- Students can submit 60 second videos aligned to 1 of 3 creative prompts on electric technologies.
- Winners will be announced in June.



www.svcleanenergy.org/empower-sv/

4. Member Agency Working Group – February Update

The most recent MAWG meeting was held on February 22, 2024 and was attended by 8 different agencies and organizations with a total of 21 participants.

The following agenda items were presented and discussed:

- Findings from MAWG Survey and Evaluation Report
- Feedback on Next Round of SVCE Member Agency Grants
- Follow-Up Discussion on External Grant Support
- Introduction to Policy & Permitting Efforts
- Electrifying Decarbonization Engagement for Healthy and Safe Communities

5. Press Release & Media

Press Releases

- Silicon Valley Clean Energy Prepay Bonds Valued at $1.1 Billion, *Press Release, 02-20-24*

News Coverage

- Local Scene: Rebates available to upgrade to electric appliances, *The Morgan Hill Times, 02-01-24*
- 2024 Silicon Valley Power 100, *Silicon Valley Business Journal, 02-02-2024*
- FutureFitting homes, *The Mercury News, 02-04-2024*
- Saratoga councilmember named chair of clean energy nonprofit, *The Mercury News, 02-04-2024*
- Silicon Valley Clean Energy Prepay Bonds Valued at $1.1 Billion, *American Public Power Association, 02-20-2024*

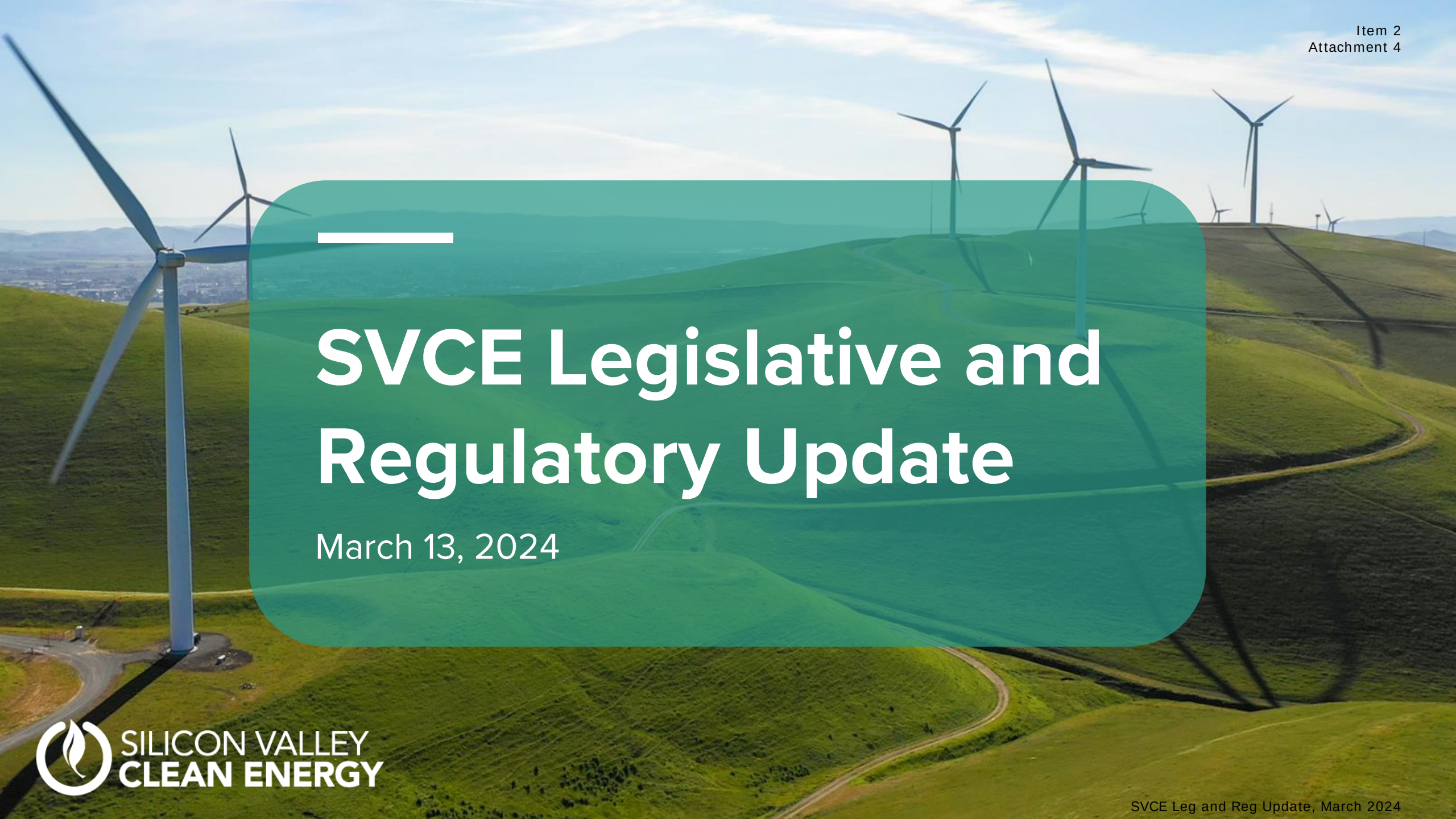
5. Press & Media (continued)

News Coverage (continued)

- Los Altos Hills pioneers innovative Sustainability Reach Code to combat climate change , *Public CEO, 02-21-24*
- Here's who is running for the Santa Clara County Board of Supervisors District 5 seat, *The Mercury News, 02-22-24*
- ev.energy to Scale Electric Vehicle Charging Solutions Across California with $41 Million California Energy Commission Grant, *ev.energy, 02-21-24*

Media Mentions

- Full transcript: Cupertino mayor's 2023 State of the City, *San Jose Spotlight, 02-15-24*
- Election Guide 2024: Five compete to represent District 5 on the Santa Clara County Board of Supervisors, *Palo Alto Online, 02-16-24*
- El ecosistema conectado será el catalizador del crecimiento industrial en 2024 y más allá, *ITware Latam.com, 02-20-2024*



SVCE Legislative and Regulatory Update

March 13, 2024

SILICON VALLEY CLEAN ENERGY

Policy Updates

Regulatory Update:

1. Integrated Resource Planning
2. Resource Adequacy
3. Energization

Legislative Update:

1. CalCCA Lobby Day
2. Bill Update
3. 2024 Legislative Calendar



Regulatory Update

Key Regulatory Activities

Activity	Purpose	Status
Order Instituting Rulemaking to Establish Energization Timelines (R.24-01-018)	To establish timely energization timelines.	SVCE filed formal comments in response to the establishment of the new Order Instituting Rulemaking at the CPUC to establish reasonable average and maximum target energization time periods, as well as a procedure for customers to report energization delays. SVCE's comments focused on emphasizing the changes needed to utility processes to improve the customer experience and recommended that the establishment of energization timelines be based on the specific barriers contributing to the delays instead of general or inconsistent statements about possible contributing factors. With regard to the effect of local ordinances on timelines, SVCE recommended that the CPUC evaluate the past effects of local ordinances and use that historical data to inform the timeline requirements that are to-be developed.



Legislative Update

2/21/22 CalCCA Lobby Day

Chair Walia and 2023 Legislative Ad Hoc Committee Chair Director Martinez Beltran joined annual CalCCA Lobby Day.

- Strong attendance from CCAs throughout the state. Overall, CalCCA members met with 57 legislative offices. SVCE team met with 11 offices.
- Major themes from legislators were concerns with energy affordability and reliability.



Bill Update

SVCE is reading and analyzing several bills this session. Preliminary bills of interest include:

Topic Area	Bill Number(s)	Summary
Income Graduated Fixed Charge	AB 1999 (Irwin), SB 1312 (Nguyen), SB 1314 (Nguyen), AB 2805 (Essayli), AB 1326 (Jones), SB 1292 (Bradford)	Most of the legislature's proposals would repeal income graduated fixed charges on electricity bills.
Net Billing Tariff	AB 2619 (Connolly), SB 1374 (Becker), AB 3269 (Essayli)	Legislative proposals would impact rooftop solar by repealing or modifying the Net Billing Tariff.
Building Electrification	SB 382 (Becker), AB 2513 (Pellerin), and SB 1095 (Becker)	Sen. Becker has two proposals to help implement the Bay Area's home electrification regulations, and Asm. Pellerin has a bill on warning labels for gas stoves/ranges.

Key 2024 State Legislative Milestones

- ~~January 3 – Legislature Reconvenes~~
- ~~January 12 – Last day for policy committees to hear fiscal bills from their house last year~~
- ~~January 19 – Last day to submit bill requests to Legislative Counsel; last day for committees to hear and report to the floor bills introduced last year~~
- ~~January 31 – Last day for each house to pass bills introduced last year~~
- ~~February 16 – Last day for bills to be introduced~~
- April 26 – Last day for policy committees to vote on fiscal bills
- May 17 – Last day for fiscal committees to hear bills introduced in that house
- May 24– Last day for each house to pass bills introduced in that house
- June 15 – Budget bill must pass by midnight
- July 3 – Last day for policy committees to vote on bills
- August 16 – Last day for fiscal committees to vote on bills
- August 31– Last day for each house to pass bills
- September 30 – Last day for Governor to sign bills

March 2024	April 2024	May 2024	June 2024	July 2024
Board of Directors, March 13:	**Board of Directors, April 10:** Consent: Minutes February 2024 Treasurer Report Committee Reports Regular Calendar: Study Session MRP/Gas Peaker Community Investment Policy	**Board of Directors, May 8:** Consent: Minutes March 2024 Treasurer Report Committee Reports Regular Calendar: TBD	**Board of Directors, June 12:** Consent: Minutes April 2024 Treasurer Report Committee Reports Regular Calendar: Introduction to SVCE Budget Framework	**Board of Directors, CANCELLED: No meeting in July**
Executive Committee, March 22: MRP/Gas Peaker Community Investment Policy Program Snapshot	**Executive Committee, April 26:** Program Snapshot	**Executive Committee, May 24:** Program Snapshot Intro to 2025 Strategic Plan (Focus Areas)	**Executive Committee, June 28:** Program Snapshot	**Executive Committee, CANCELLED: No meeting in July**
		Finance & Admin Committee, TBD: Review Stress Case Analyses and Budget Framework		

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 3

Item 3:	**Receive Audit Results and Accept the Findings from Independent Auditor**
From:	Girish Balachandran, CEO
Prepared by:	Amrit Singh, CFO and Director of Administrative Services Karen Chang, Manager of Finance and Risk Controls
Date:	3/13/2024

RECOMMENDATION

Receive the Year-End Financial Statements and the Independent Auditor's Report for the Fiscal Year 2022-23.

AUDIT COMMITTEE RECOMMENDATION

At the February 29, 2024 meeting of the Audit Committee, committee members received a presentation by the Independent Auditor discussing the status of the audit and the preliminary auditor's opinion. The Audit Committee also received a draft of the financial report.

BACKGROUND

In accordance with Financial Policy #1 (FP1), Accounting Policy, the annual audit of the financial statements has been completed and the report prepared by Pisenti & Brinker, LLP has been issued to the Agency. The auditors have rendered a clean opinion and found "*the financial statements referred to above present fairly, in all material respects, the financial position of SVCE as of September 30, 2023 and 2022 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.*"

Basic Financial Statements

The Statement of Net Position presents information about assets and liabilities with the difference between the two reported as net position. The change in net position over time is an indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position reports how net position changed during the year and present a comparison between operating and non-operating revenues and operating and non-operating expenses. Operating revenues and expenses are related to the Agency's principal business of providing carbon-free electricity.

The Statement of Cash Flows reports the cash provided and used by operating activities, as well as other sources and uses, such as financing and investing activities.

Notes to the Financial Statements

Various notes provide additional information that is essential to a full understanding of the information provided in the basic financial statements. These are found immediately following the financial statements to which they refer.

ANALYSIS & DISCUSSION

The following represents highlights as of September 30, 2023:

- As of September 30, 2023, total assets were $434.8 million, with $376.7 million of current assets. Current assets are mostly comprised of $230.5 million of cash and cash equivalents, $49.9 million in accounts receivable, $30.4 million in accrued revenue, $25.6 million in deposits, and $163 thousand in restricted cash. The total of current assets increased during the fiscal year as a result of SVCE's operating surplus.
- As of September 30, 2023, total liabilities were $110.3 million. Current liabilities consist mostly of the cost of electricity delivered to customers that is not yet due to be paid by SVCE. Other components include taxes and surcharges due to other governments and various other accrued liabilities. Noncurrent liabilities of $24.3 million consist of mostly supplier security deposits provided as cash, rather than letters of credit.
- As of September 30, 2023, total revenues were $503.7 million primarily from the sale of carbon-free electricity. Operating revenues exceeded the cost of electricity by $128.7 million resulting in an operating margin of 25.5%.
- As of September 30, 2023, total expenses were $401.1 million. The increase in operating expenses from fiscal year 2022 to 2023 is largely the result of an increase in energy costs. Expenses for staff compensation, consulting, and other general and administrative expenses increased in 2023 as the organization grew operations and responded to the challenges of a changing business landscape.

STRATEGIC PLAN

This report supports the fiscal management goals of the strategic plan.

ALTERNATIVE

There is no alternative to this recommendation as the financial audit is a requirement of Board Policy FP1.

FISCAL IMPACT

During Fiscal Year 2022-23, SVCE's total expenses exceeded total revenues, resulting in an increase to Net Position of $111.9 million.

SVCE's Auditors, Pisenti & Brinker, LLP, issued an unqualified ("clean") opinion on the Agency's financials for the fiscal year ended September 30, 2023.

ATTACHMENTS

1. Audited Financials for the fiscal year ended September 30, 2023
2. SVCE Representation Letter
3. Letter of Significant Deficiencies or Material Weaknesses



Silicon Valley Clean Energy Authority

Financial Statements
Years Ended:

September 30, 2023
September 30, 2022

With Report of Independent Auditors

SILICON VALLEY CLEAN ENERGY

SILICON VALLEY CLEAN ENERGY AUTHORITY
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

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Certified Public Accountants & Advisors

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Santa Rosa, CA 95403
(707) 542-3343 • Office
(707) 527-5608 • Fax
pbllp.com

Independent Auditor's Report

To the Board of Directors
Silicon Valley Clean Energy Authority

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of Silicon Valley Clean Energy Authority (SVCE), as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise SVCE's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SVCE as of September 30, 2023 and 2022, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of SVCE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SVCE's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

Independent Auditor's Report (continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SVCE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SVCE's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Pisenti & Brinker LLP

Santa Rosa, California
February 20, 2024

SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

The Management's Discussion and Analysis provides an overview of Silicon Valley Clean Energy Authority's (SVCE) financial activities as of and for the years ended September 30, 2023 and 2022. The information presented here should be considered in conjunction with the audited financial statements.

BACKGROUND

The formation of SVCE was made possible by the passage, in 2002, of California Assembly Bill 117, enabling communities to purchase power on behalf of their residents and businesses and creating competition in power generation.

SVCE was created as a California Joint Powers Authority (JPA) on March 31, 2016. SVCE was established to provide electric power at competitive costs as well as to provide other benefits within Santa Clara County, including reducing energy related greenhouse gas emissions, securing energy supply and price stability, and providing energy efficiencies and local economic benefits. Governed by a board of directors (Board) consisting of elected representatives from each jurisdiction, SVCE has the rights and powers to set rates for the electricity it furnishes, incur indebtedness, and issue bonds or other obligations. SVCE is responsible for the acquisition of electric power for its service area. SVCE serves the unincorporated areas of Santa Clara County and the cities and towns of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, and Sunnyvale.

Financial Reporting

SVCE presents its financial statements as an enterprise fund under the economic resources measurement focus and accrual basis of accounting, in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary funds, as prescribed by the Governmental Accounting Standards Board (GASB).

Contents of this Report

This report is divided into the following sections:

- Management's discussion and analysis.
- The basic financial statements:
    - The *Statements of Net Position* include all of SVCE's assets, liabilities, and net position and provide information about the nature and amount of resources and obligations at a specific point in time.
    - The *Statements of Revenues, Expenses, and Changes in Net Position* report all of SVCE's revenue and expenses for the years shown.
    - The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as financing and investing activities.
    - The *Notes to the Basic Financial Statements* provide additional details and information related to the basic financial statements.

SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

FINANCIAL HIGHLIGHTS

The following table is a summary of SVCE's assets, liabilities, and net position, and a discussion of significant changes during the years ended September 30:

	2023	2022	2021
Current assets	$ 376,699,458	$ 270,632,455	$ 206,813,185
Noncurrent assets			
Investments	56,819,513	-	-
Capital and lease assets, net	1,259,365	1,681,871	2,122,391
Other noncurrent assets	45,130	45,330	45,330
Total noncurrent assets	58,124,008	1,727,201	2,167,721
Total assets	434,823,466	272,359,656	208,980,906
Current liabilities	86,003,663	51,733,663	34,519,867
Noncurrent liabilities	24,283,988	7,942,472	8,425,392
Total liabilities	110,287,651	59,676,135	42,945,259
Net position			
Net investment in capital assets	348,144	287,728	269,927
Restricted for security collateral	163,861	162,014	4,000,216
Unrestricted	324,023,810	212,233,779	161,765,504
Total net position	$ 324,535,815	$ 212,683,521	$ 166,035,647

Current Assets

Current assets were approximately $376,699,000 at the end of 2023 and are mostly comprised of cash, accounts receivable, investments and accrued revenue. Accrued revenue differs from accounts receivable in that it is the result of electricity provided to SVCE customers that has not yet been invoiced. Current assets increased each year as a result of SVCE's operating surpluses.

SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

Noncurrent Assets

During 2023, SVCE purchased investments that are scheduled to mature in more than one year. SVCE reports investments, other than non-negotiable CDs, at fair value in the noncurrent assets section of its Statements of Net Position.

Capital assets, including right-of-use assets, were approximately $1,259,000 at the end of 2023, net of accumulated depreciation, primarily consisting of furniture and electronic equipment for use in SVCE's administrative office. SVCE does not own assets used for electric generation or distribution.

A lease asset is reported in accordance with Governmental Accounting Standards Board No. 87 *Leases* (GASB 87) that was implemented during 2022, with a restatement back to 2020. According to GASB, the Statement aims to increase the usefulness of governments' financial statements by requiring reporting of certain lease assets and liabilities that previously were not recognized on the statement of net position.

Other noncurrent assets consist of various deposits for energy supply, regulatory and other operating purposes. The deposits have remained relatively stable over the last three years.

Current Liabilities

The most significant element of current liabilities is the obligation to pay the cost of electricity delivered to customers. Accrued cost of electricity at the end of fiscal year 2023 increased compared to the prior year. This was a result of increased prices of electricity purchased as well as a small increase in the volume of purchased electricity outstanding.

Other components include taxes and surcharges due to other governments and various other accrued liabilities.

SVCE receives deposits from energy suppliers as a form of collateral on committed future purchases. As of September 30, 2023, SCVE held approximately $1.0 million of deposits expected to be returned or applied within one year.

Noncurrent Liabilities

Noncurrent liabilities increased in 2023 as a result of collateral deposits from energy suppliers held by SVCE that are not due to be returned within a year. There was little change in deposits from 2021 to 2022.

SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

The following table is a summary of SVCE's results of operations and a discussion of significant changes for the years ended September 30:

	2023	2022	2021
Operating revenues	$ 503,675,151	$ 363,521,534	$ 242,600,167
Nonoperating revenues	9,262,831	1,870,954	273,895
Total income	512,937,982	365,392,488	242,874,062
Operating expenses	401,057,113	318,708,488	257,751,261
Nonoperating expenses	28,576	36,126	230,632
Total expenses	401,085,689	318,744,614	257,981,893
Change in net position	$ 111,852,293	$ 46,647,874	$ (15,107,831)

Operating Revenues

SVCE's operating revenues are derived from the sale of electricity to commercial and residential customers throughout its territory. SVCE's customer territory was stable each year, with approximately 280,000 customers enrolled. Rate increases in effect during 2023 and 2022 account for the majority of the increase in revenue from the prior years.

Nonoperating Revenues

The nonoperating revenue increase from 2021 to 2022 was primarily the result of grant income from the California Arrearage Payment Plan (CAPP) that was received in 2022. The increase from 2022 to 2023 was the result of investment income from market rate increases and increased invested amounts.

Operating Expenses

SVCE's largest operating expense is the purchase of electricity for retail customer use. SVCE procures energy from a variety of sources, aiming at purchasing electricity at competitive costs and maintaining a balanced renewable power portfolio. Electricity costs increased as a result of rising market prices. Expenses for staff compensation, consulting, data management, and other general and administrative expenses increased each year as the organization continued to grow to support its operational demands.

SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

ECONOMIC OUTLOOK

SVCE serves approximately 96% of all eligible customers in the service area, and that rate of participation is expected to remain stable in 2024.

SVCE procures energy consistent with its Board-approved Energy Risk Management Policy that aligns customer demand for clean energy with short and long-term purchases of clean energy resources. SVCE complies with state laws and its own targets for renewable and greenhouse gas (GHG) free energy. California's Renewable Portfolio Standard ("RPS") requires load-serving entities (LSEs) such as SVCE to supply their retail sales with minimum quantities of eligible renewable energy both on an annual basis and through long-term commitments of greater than ten years. The state has also directed LSEs to procure new clean energy and capacity resources by 2026 to meet grid reliability goals. 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 GHG-free resources (or eligible renewable resources) by 2045. Senate Bill 1020 sets interim clean targets of 90% and 95% by 2035 and 2040. SVCE's current policy is to procure 100% of retail sales, adjusted for transmission and distribution losses, from GHG-free resources. To date SVCE has executed 17 RPS contracts of ten years or more in duration and has met its RPS requirements for long-term procurement. SVCE is on the path to meeting its requirements as ordered by the CPUC under the Mid-term Reliability Procurement decision (R.20-05-003).

SVCE uses a portfolio risk-management approach in its power purchasing program, seeking low-cost supply as well as diversity among technologies, production profiles, project sizes and locations, counterparties, length of the contract, and timing of market purchases. SVCE's procurement strategy through 2030 includes regularly procuring new and existing California renewables by 2030, via contracts with terms of 10 years or more. The strategy also includes investing in storage paired with solar, stand-alone storage, long-duration storage, geothermal and large hydroelectric resources. SVCE continually manages its forward load obligations and supply commitments with the objective of balancing cost stability and cost minimization. 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 also procures electric capacity or Resource Adequacy ("RA"), a California program jointly administered by the CPUC, the CEC, and CAISO. The RA resources ensure there will be enough supply in the right locations and with sufficient ramping capability to meet the load in the CAISO market.

SILICON VALLEY CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

ECONOMIC OUTLOOK (continued)

In the fiscal year ending September 30, 2023, SVCE's retail load increased by about 2% from the prior fiscal year to 3.82 Terrawatt-hours (TWhrs). SVCE expects retail load to grow to 3.99 TWhrs for the Fiscal Year ending September 30, 2024, resulting primarily from commercial load increase along with load modifier load growth. Over the next ten years, SVCE expects the load to grow by about 1% per year. SVCE's long-term load forecast is driven primarily by the number and types of customers that SVCE expects to serve. The forecast also incorporates load- modifying effects of increasing electric vehicle adoption and charging, behind-the-meter solar and/or storage (via net energy metering), and energy efficiency.

In 2019, the Board of Directors approved a Commercial Pricing Policy that allows SVCE to be innovative in customized contract offerings to customers that supports long-term customer retention. SVCE has now signed long-term arrangements with two major customers for customized power supply offerings and is working with additional prospective customers.

SVCE expects to continue to provide competitive electric rates. Volatile energy prices and the variability of the PG&E customer exit fee can be barriers to providing stable rates. The exit fee will increase in 2024, relative to the 2023 rate. As of January 2023, SVCE has increased its discount relative to PG&E's generation service to 4 percent. SVCE is engaged in the development of both legislative and regulatory policies that impact rates (e.g., procurement mandates, load management standards, and reliability proceedings). Additionally, SVCE's commitment to building healthy cash reserves has placed SVCE in a stable position to manage volatile energy prices, and future regulatory and legislative risks.

SVCE has a strong focus on continuing to build credit capacity through increased cash reserves, complying with the energy risk management policy and credit guidelines, and entering into favorable energy purchase commitments. SVCE received a "Baa1" credit rating in the Summer of 2023 from Moody's and an 'A' credit rating from S&P Global in May 2023, both affirmed a stable outlook for SVCE.

REQUEST FOR INFORMATION

This financial report is designed to provide SVCE's customers and creditors with a general overview of SVCE's finances and to demonstrate SVCE's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to 333 W. El Camino Real, Suite 330, Sunnyvale, CA 94087.

Respectfully submitted,

Girish Balachandran, Chief Executive Officer

BASIC FINANCIAL STATEMENTS

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents - unrestricted	$ 230,530,644	$ 167,673,753
Accounts receivable, net of allowance	49,889,393	55,663,227
Investments	34,331,496	-
Accrued revenue	30,432,122	25,508,698
Other receivables	4,396,286	81,714
Prepaid expenses	1,353,177	977,928
Deposits	25,602,479	20,565,121
Cash - restricted	163,861	162,014
Total current assets	376,699,458	270,632,455
Noncurrent assets		
Deposits	45,130	45,330
Investments	56,819,513	-
Lease asset, net of amortization	842,625	1,324,125
Capital assets, net of depreciation	416,740	357,746
Total noncurrent assets	58,124,008	1,727,201
Total assets	434,823,466	272,359,656
LIABILITIES		
Current liabilities		
Accrued cost of electricity	78,604,532	36,054,862
Accounts payable	2,857,744	1,007,808
Other accrued liabilities	1,286,104	1,094,075
User taxes and energy surcharges due to other governments	1,726,800	1,693,997
Supplier security deposits	1,020,000	11,400,000
Lease liability	508,483	482,921
Total current liabilities	86,003,663	51,733,663
Noncurrent liabilities		
Supplier security deposits	23,881,250	7,031,250
Lease liability	402,738	911,222
Total noncurrent liabilities	24,283,988	7,942,472
Total liabilities	110,287,651	59,676,135
NET POSITION		
Net investment in capital assets	348,144	287,728
Restricted for security collateral	163,861	162,014
Unrestricted	324,023,810	212,233,779
Total net position	$ 324,535,815	$ 212,683,521

The accompanying notes are an integral part of these financial statements.

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Electricity sales, net	$ 500,150,468	$ 359,373,795
GreenPrime electricity premium	1,456,427	1,741,940
Liquidated damages	2,019,600	2,371,250
Other income	48,656	34,549
Total operating revenues	503,675,151	363,521,534
OPERATING EXPENSES		
Cost of electricity	375,015,282	300,290,056
Contract services	10,228,607	9,255,297
Staff compensation and benefits	9,682,535	6,744,553
Other operating expenses	5,509,407	1,836,654
Depreciation and amortization	621,282	581,928
Total operating expenses	401,057,113	318,708,488
Operating income	102,618,038	44,813,046
NONOPERATING REVENUES (EXPENSES)		
Grant income	716,553	1,545,172
Interest and investment returns	8,546,278	325,782
Financing costs	(28,576)	(36,126)
Nonoperating revenues (expenses), net	9,234,255	1,834,828
CHANGE IN NET POSITION	111,852,293	46,647,874
Net position at beginning of year	212,683,522	166,035,647
Net position at end of year	$ 324,535,815	$ 212,683,521

The accompanying notes are an integral part of these financial statements.

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 511,002,951	$ 326,719,985
Receipts of liquidated damages	2,019,600	2,371,250
Other operating receipts	38,633,263	11,512,300
Payments to suppliers for electricity	(372,229,527)	(313,073,540)
Payments for other goods and services	(14,469,068)	(11,536,855)
Payments of staff compensation and benefits	(9,393,101)	(6,554,946)
Payments of taxes and surcharges to other governments	(8,512,842)	(5,469,828)
Net cash provided by operating activities	147,051,276	3,968,366
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Grant revenue received	716,553	1,545,172
Finance costs paid	(28,576)	(170,068)
Net cash provided by non-capital financing activities	687,977	1,375,104
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments under lease obligation	(507,480)	(500,642)
Payments to acquire capital assets	(188,270)	(141,408)
Net cash (used) by capital and related financing activities	(695,750)	(642,050)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income received	6,946,208	325,783
Purchase of investments	(91,130,973)	-
Net cash provided (used) by investing activities	(84,184,765)	325,783
Net change in cash and cash equivalents	62,858,738	5,027,203
Cash at beginning of year	167,835,767	162,808,564
Cash at end of period	$ 230,694,505	$ 167,835,767
Reconciliation to the Statement of Net Position		
Cash and cash equivalents - unrestricted	$ 230,530,644	$ 167,673,753
Cash - restricted	163,861	162,014
Total cash	$ 230,694,505	$ 167,835,767

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2023	2022
Operating income	$ 102,618,038	$ 44,813,046
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization expense	621,282	581,928
(Increase) decrease in:		
Accounts receivable	5,773,835	(29,673,042)
Accrued revenue	(4,923,424)	(11,098,078)
Market settlements receivable	-	269,012
Other receivables	(2,734,538)	148,771
Prepaid expenses	(375,249)	1,400,308
Current deposits	(5,037,158)	(19,839,037)
Increase (decrease) in:		
Accrued cost of electricity	41,494,549	5,140,221
Accounts payable	1,839,430	(529,568)
Other accrued liabilities	216,587	628,293
Energy settlements payable	1,055,121	87,550
User taxes and energy surcharges due to other governments	32,803	638,962
Supplier security deposits	6,470,000	11,400,000
Net cash provided by operating activities	$ 147,051,276	$ 3,968,366

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Silicon Valley Clean Energy Authority (SVCE) is a Joint Powers Authority created on March 31, 2016. As of September 30, 2023, parties to its Joint Powers Agreement consist of the following local governments:

Unincorporated areas of Santa Clara County	Milpitas
Campbell	Monte Sereno
Cupertino	Morgan Hill
Gilroy	Mountain View
Los Altos	Saratoga
Los Altos Hills	Sunnyvale
Los Gatos	

SVCE is separate from and derives no financial support from its members. SVCE is governed by a Board of Directors whose membership is composed of elected officials representing the member governments.

SVCE was formed to study, promote, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing these objectives. A core function of SVCE is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

SVCE began its energy delivery operations in April 2017. Electricity is acquired from commercial and municipal suppliers and delivered through existing physical infrastructure and equipment managed by Pacific Gas and Electric Company (PG&E).

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

SVCE's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

SVCE's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories – net investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, it is SVCE's policy to use restricted resources first, and then unrestricted resources as they are needed.

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, SVCE defines cash to include cash on hand, demand deposits money market funds, and short-term investments with an original maturity of three months or less. SVCE has cash that is restricted under various security agreements. This is reported as restricted cash on the Statements of Net Position and the Statements of Cash Flows.

INVESTMENTS

Investments are stated at fair value based on prices listed on a national exchange for debt securities. Certificates of deposits are stated at cost. While SVCE intends to hold its securities to maturity, all investments could readily be converted to cash should SVCE choose to do so. Investments with a maturity of less than one year are shown as current assets in the Statement of Net Position. Investments with a maturity of one year or more are shown as noncurrent assets in the Statement of Net Position.

SVCE's Investment Policy permits the investment of funds in depository accounts, certificates of deposit, the Local Agency Investment Fund (LAIF) program operated by the California State Treasury, United States Treasury obligations, Federal Agency Securities, commercial paper, corporate notes, and asset-backed securities.

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PREPAID EXPENSES AND DEPOSITS

Contracts to purchase energy may require SVCE to provide the supplier with advanced payments or security deposits. Deposits are generally held for the term of the contract and are classified as current or noncurrent assets depending on the length of time the deposits will be outstanding. Also included are prepaid expenses and deposits for regulatory and other operating purposes.

LEASE ASSET AND LEASE LIABILITY

SVCE recognizes an asset and liability when it enters into certain leasing arrangements. The leased asset is amortized over the term of the lease. The lease liability is the present value of payments expected to be paid to the lessor during the lease term. SVCE's only leased asset and liability relates to its office premises.

CAPITAL ASSETS AND DEPRECIATION

SVCE's policy is to capitalize furniture and equipment valued over $1,000 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment, five years for automobiles and seven years for furniture and leasehold improvements. SVCE does not own any electric generation assets.

SUPPLIER SECURITY DEPOSITS

Various energy contracts require the supplier to provide SVCE with a security deposit. These deposits are generally held for the term of the contract or until the completion of certain benchmarks. Deposits are classified as current or noncurrent depending on the length of time the deposits will be held.

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET POSITION

Net position is presented in the following components:

Net Investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted: This component of net position consists of net position that does not meet the definition of "investment in capital assets" or "restricted".

OPERATING AND NONOPERATING REVENUE

Revenue from the sale of electricity to customers is considered operating revenue.

Investment income includes interest earned on bank deposits as well as unrealized gains and losses on its investment holdings. Grant revenue, interest and investment income are considered nonoperating activity.

REVENUE RECOGNITION

SVCE recognizes revenue on the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered, but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded. Revenue is presented net of estimated uncollectible charges.

OPERATING AND NONOPERATING EXPENSES

Operating expenses include the costs of electricity and services, administrative expenses, and amortization and depreciation of capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

COST OF ELECTRICITY

During the normal course of business SVCE purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers and for generation credits, and load and other charges arising from SVCE's participation in the CAISO's centralized market. The cost of electricity and capacity is recognized as "Cost of Electricity" in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, SVCE acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System. SVCE obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive. An expense is recognized at the point that the cost of the Certificate is due and payable to the supplier.

SVCE purchases capacity commitments from qualifying generators to comply with the California Energy Commission's Resource Adequacy Program. The goals of the Resource Adequacy Program are to provide sufficient resources to CAISO to ensure the safe and reliable operation of the grid in real-time and to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future.

STAFFING COSTS

SVCE pays employees bi-weekly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan as they come due. SVCE is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. SVCE provides compensated time off, and the related liability is recorded in these financial statements.

INCOME TAXES

SVCE is a Joint Powers Authority under the provision of the California Government Code. As such it is not subject to federal or state income or franchise taxes.

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications did not result in any change in previously reported net position or change in net position.

2. CASH AND CASH EQUIVALENTS

SVCE maintains its cash in both interest-bearing and non-interest-bearing accounts. SVCE's deposits are subject to California Government Code Section 16521, which requires banks to provide 110% collateralization on public funds in excess of the Federal Deposit Insurance Corporation limit of $250,000. Certain short-term investments with original maturities of less than three months are classified as cash and cash equivalents, which are not subject to the collateral requirement or FDIC coverage previously mentioned. Accordingly, the amount of risk is not disclosed. SVCE monitors its risk on an ongoing basis.

At the end of each year, SVCE had restricted cash that was held as collateral for either its bank letters of credit postings, or collateral held in accordance with certain security agreements with suppliers.

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

3. ACCOUNTS RECEIVABLE

Accounts receivable were as follows as of September 30:

	2023	2022
Accounts receivable from customers	$ 52,689,393	$ 58,563,227
Allowance for uncollectible accounts	(2,800,000)	(2,900,000)
Net accounts receivable	$ 49,889,393	$ 55,663,227

The majority of account collections occur within the first few months following the issuance of customer invoices. SVCE estimates that a portion of the billed accounts will not be collected. SVCE continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, SVCE continues to be successful in collecting older accounts. The allowance for uncollectible accounts at the end of a period includes amounts billed during the current and prior fiscal years and is adjusted for write-offs. In 2023 and 2022, SVCE received CAPP funds (see Note 7) that helped recover previously written off accounts receivable.

4. INVESTMENTS

During the year ended September 30, 2023, SVCE purchased investments with original maturities of three months or more. As of September 30, the fair value of investments was as follows:

	2023	2022
Current Investments:		
U.S. Treasury Bonds and Notes	$ 8,750,279	$ -
Commercial Paper	18,981,723	-
Certificate of Deposits	6,599,494	-
Total current investments	$ 34,331,496	$ -

	2023	2022
Noncurrent Investments:		
U.S. Treasury Bonds and Notes	$ 41,492,790	$ -
Federal Agency Commercial	1,336,930	-
Corporate Notes	9,893,896	-
Certificate of Deposits	829,694	-
Asset-Backed Securities	3,266,203	-
Total noncurrent investments	$ 56,819,513	$ -

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

4. INVESTMENTS (CONTINUED)

FAIR VALUE MEASUREMENT

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. SVCE's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of September 30, 2023, SVCE's investments are considered Level 1 inputs. Quoted prices in active markets were used for determining fair value measurement (except CDs, which are based on the nominal value).

CREDIT RISK

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. Certain investments, such as obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government, are not considered to have credit risk.

As of June 30, 2023, credit risk for other investments were rated as follows:

Moody's Investors Service	**2023**
Commercial Paper	NR to P-1
Corporate Notes	BBB+ to AA1
Certificate of Deposits	A1 to P-1
Asset-Backed Securities	NR to Aaa

SVCE's investment policy addresses this risk. SVCE limits investments to those allowed by Section 53601 of the California Government Code that addresses the risk allowable for each investment.

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

4. INVESTMENTS (CONTINUED)

CUSTODIAL CREDIT RISK - CERTIFICATE OF DEPOSITS

Custodial credit risk is the risk that in the event of a financial institution failure, SVCE's deposits may not be returned to SVCE. SVCE's deposits are subject to California Government Code Section 16521, which requires banks to collateralize public funds in excess of the Federal Deposit Insurance Corporation (FDIC) limit of $250,000 by 110%.

As of September 30, 2023 and 2022, none of SVCE's bank balances are known to be individually exposed to credit risk.

CUSTODIAL CREDIT RISK - INVESTMENTS

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, SVCE would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. All of SVCE's investments are exposed to credit risk.

SVCE's investment policy addresses this risk. All investments owned by SVCE shall be held in safekeeping by a third-party custodian, acting as an agent for SVCE under the terms of a custody agreement.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. Duration is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates. SVCE manages its exposure to declines in fair values by limiting the weighted average maturity of its investments.

Following is a summary of investment maturities as of September 30, 2023:

		Investment Maturities	
Investment Type	**Fair Value**	**Less Than 1 Year**	**1-5 Years**
U.S. Treasury Bonds and Notes	$ 50,243,069	$ 8,750,279	$ 41,492,790
Federal Agency Commercial	1,336,930	-	1,336,930
Commercial Paper	18,981,723	18,981,723	-
Corporate Notes	9,893,896	-	9,893,896
Certificate of Deposits	7,429,188	6,599,494	829,694
Asset-Backed Securities	3,266,203	-	3,266,203
	$ 91,151,009	$ 34,331,496	$ 56,819,513

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

5. CAPITAL ASSETS AND LEASE ASSET

Capital asset activity for the years ended September 30, 2023 and 2022 was as follows:

	Furniture & Equipment	Leasehold Improvements	Accumulated Depreciation	Total
Balances at September 30, 2021	$ 482,096	$ 77,876	$ (243,206)	$ 316,766
Additions	85,011	56,397	(100,428)	40,980
Balances at September 30, 2022	567,107	134,273	(343,634)	357,746
Additions	198,776	-	(139,782)	58,994
Dispositions	(7,000)	-	7,000	-
Balances at September 30, 2023	$ 758,883	$ 134,273	$ (476,416)	$ 416,740

Lease asset activity for the years ended September 30, 2023 and 2022 was as follows:

	Lease Asset	Accumulated Amortization	Total
Balances at September 30, 2021	$ 2,287,125	$ (481,500)	$ 1,805,625
Additions	-	(481,500)	(481,500)
Balances at September 30, 2022	2,287,125	(963,000)	1,324,125
Additions	-	(481,500)	(481,500)
Balances at September 30, 2023	$ 2,287,125	$ (1,444,500)	$ 842,625

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

6. LEASE

A lease asset is reported in accordance with Governmental Accounting Standards Board No. 87 *Leases* (GASB 87) that was implemented during 2022, with a restatement back to 2020. According to GASB, the Statement aims to increase the usefulness of governments' financial statements by requiring reporting of certain lease assets and liabilities that previously were not recognized on the statement of net position.

In December 2019 SVCE amended its non-cancelable lease for its office premises, extending the lease through June 30, 2025.

Rental payments under this lease were $519,000 and $501,000 for the years ended September 30, 2023 and 2022, respectively.

As of September 30, 2023, future minimum lease payments under the lease were projected as follows:

	Principal	Interest	Total
Years ending September 30,			
2024	$ 508,483	$ 14,222	$ 522,705
2025	402,738	3,554	406,292
Total	$ 911,221	$ 17,776	$ 928,997

7. GRANT REVENUE

SVCE administers a grant from the California Arrearage Payment Program (CAPP) that offers financial assistance for California energy utility customers to help reduce past due energy account balances that increased during the COVID-19 pandemic. In 2022 this program was funded through the federal American Rescue Plan Act (ARPA) with Coronavirus State and Local Fiscal Recovery Funds. The program was funded by the State of California in 2023. Grant revenue recognized for the years ended September 30, 2023 and 2022 was approximately $717,000 and $1,545,000, respectively.

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

8. DEFINED CONTRIBUTION RETIREMENT PLAN

SVCE provides retirement benefits through the Silicon Valley Clean Energy Authority Public Agency Retirement System Defined Contribution Plan (Plan). The Plan is a defined contribution 401(a) Retirement Plan established to provide benefits at retirement to employees of certain qualified employers admitted by the Plan. The Plan is administered by Public Agency Retirement System (PARS). At September 30, 2023 and 2022, SVCE had 48 and 40 plan participants, respectively. SVCE is required to contribute up to 10% of covered payroll as a match to required employee contributions. SVCE contributed approximately $758,000 and $519,000 during the years ended September 30, 2023 and 2022, respectively. Plan provisions and contribution requirements as they apply to SVCE are established and may be amended by the Board of Directors.

9. RISK MANAGEMENT

SVCE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, SVCE purchased insurance policies from investment-grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions, and property damage. SVCE has general liability coverage of $2,000,000 with a deductible of $500.

SVCE maintains risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market.

Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, SVCE enters into netting arrangements whenever possible and, where appropriate, obtains collateral and other performance assurances from counterparties.

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

10. PURCHASE COMMITMENTS

POWER AND ELECTRIC CAPACITY

In the ordinary course of business, SVCE enters into various power purchase agreements to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of either natural gas or electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind and hydro-electric facilities.

SVCE enters into power purchase agreements in order to comply with state law and voluntary targets for renewable and greenhouse gas (GHG) free products and to ensure stable and competitive electric rates for its customers.

The following table represents the expected, undiscounted, contractual obligations outstanding as of September 30, 2023:

Years ending September 30,	
2024	$ 301,000,000
2025	206,000,000
2026	184,000,000
2027	186,000,000
2029	193,000,000
2029-2046	2,206,000,000
Total	$ 3,276,000,000

SILICON VALLEY CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

11. JOINT VENTURE

The SVCE participates in a joint powers agreement (JPA) through the California Community Choice Financing Authority (CCCFA). CCCFA was formed as a conduit issuer to assist its members by undertaking the financing or refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of the members by issuing or incurring bonds and entering into related contracts with its members. Any debt or liability incurred by CCCFA on behalf of a member to prepay for renewable energy is not a debt or liability of that member. Furthermore, the assets of CCCFA in the form of prepaid energy or reserves held by the respective bond trustees for any prepayment transaction undertaken on behalf of a member does not constitute an asset or reserve of that member.

In September 2021, CCCFA issued bonds partially related to SVCE in the amount of $1,234,720,000, excluding original issue premium, the applicable proceeds of which are to be used to finance energy purchases that will be delivered to SVCE. No debt, liability, or obligation of CCCFA is a debt, liability, or obligation of SVCE. SVCE will purchase energy from CCCFA in the same manner as it purchases energy from other suppliers. SVCE purchased approximately $29,081,000 and $15,320,000 from CCCFA during fiscal years 2023 and 2022, respectively. In January 2023, CCCFA issued additional bonds related to SVCE in the amount of $841,550,000, excluding original issue premium. The outstanding purchase commitments related to these financing facilities are included in Note 10.

Each member of CCCFA is responsible for paying an equal portion of CCCFA's general and administrative operating costs as determined by its board. During the years ended September 30, 2023, and 2022, SVCE contributed approximately $87,000 and $46,000, respectively, to CCCFA to assist in its operating activities.

The financial statements of CCCFA are available online at http://www.cccfa.org/key-documents.html.

12. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statements are effective for years ending after September 30, 2023:

GASB has approved GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*. Management is evaluating the effect of implementation of these statements.

Silicon Valley Clean Energy Authority

For the Year Ended September 30, 2023

Report to the Board of Directors

PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

3562 Round Barn Circle, Suite 200
Santa Rosa, CA 95403
+1 (707) 542-3343 Office
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pbllp.com

To the Board of Directors
Silicon Valley Clean Energy Authority
333 W El Camino Real, Suite 330
Sunnyvale, CA

We are pleased to present this report related to our audit of the financial statements of Silicon Valley Clean Energy Authority ("SVCE") as of and for the year ended September 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for SVCE's financial reporting process.

This report is intended solely for the information and use of the Audit Committee, Board of Directors and management of SVCE and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Silicon Valley Clean Energy Authority.

Pisenti & Brinker LLP

Santa Rosa, California
March 5, 2024

An independently owned member RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated September 22, 2023. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated January 8, 2024 regarding the planned scope and timing of our audit and identified significant risks, if any.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices
Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies
Management has the ultimate responsibility for the appropriateness of the accounting policies used by SVCE. SVCE did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions
We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates
Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

REQUIRED COMMUNICATIONS

Audit Adjustments and Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Departure From the Auditor's Standard Report

Reporting – Expected Other-Matter Paragraph
Accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board require that the management's discussion and analysis be presented to supplement the financial statements. We do not express an opinion or provide any assurance on the information. In light of this matter, we will include an other-matter paragraph in the auditor's report. This matter will not modify the opinion. Below is the paragraph included in the auditor's report:

> **Required Supplementary Information**
> Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Observations About the Audit Process

Disagreements With Management
We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements

Consultations With Other Accountants
We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management
No significant issues arising from the audit were discussed or the subject of correspondence with management.

REQUIRED COMMUNICATIONS

Significant Difficulties Encountered in Performing the Audit
We did not encounter any significant difficulties in dealing with management during the audit.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For Pisenti & Brinker to fulfill its professional responsibility to maintain and monitor independence, management, SVCE, and Pisenti & Brinker each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. Pisenti & Brinker, LLP is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

SVCE's Responsibilities

- Timely inform Pisenti & Brinker, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, or officers.
  - Change in corporate structure impacting affiliates such as add-on acquisitions or exits.
- Provide necessary affiliate information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to SVCE and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with Pisenti & Brinker.
- Not entering into relationships resulting in close family members of Pisenti & Brinker covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at SVCE.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of SVCE, are attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in SVCE's September 30, 2023 financial statements.

Significant Accounting Estimates	
Accrued Revenue	
Accounting policy/ Management's estimation process	Management's estimate of accrued revenue includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate analytically and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.
Cost of Electricity	
Accounting policy/ Management's estimation process	Management's estimate of accrued cost of electricity includes historical trends and anticipated energy usage.
Basis for our conclusion on the reasonableness of the estimate	We tested management's estimate through subsequent disbursements and analytical procedures and determined management's estimate to be reasonable in relation to the financial statements taken as a whole.
Allowance for Uncollectible Accounts	
Accounting policy/ Management's estimation process	Management's estimate of the allowance for uncollectible accounts includes historical collection trends and anticipated future collections.
Basis for our conclusion on the reasonableness of the estimate	We evaluated the key factors and assumptions used to develop the estimate in determining that the allowance is reasonable in relation to the financial statements taken as a whole.

EXHIBIT A

Representation Letter

333 W El Camino Real, Suite 330 | Sunnyvale, CA 94087 | 1-844-474-SVCE (7823) | SVCleanEnergy.org

February 20, 2024

Pisenti & Brinker LLP
3562 Round Barn Circle, Suite 200
Santa Rosa, CA 95403

This representation letter is provided in connection with your audit of the basic financial statements of Silicon Valley Clean Energy Authority (SVCE) as of and for the years ended September 30, 2023 and 2022 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of February 19, 2024:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated September 22, 2023 for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

8. Management has followed applicable laws and regulations in adopting, approving and amending budgets.

9. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.

10. Provisions for uncollectible receivables have been properly identified and recorded.

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11. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated.

12. The government properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

13. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

14. The SVCE policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.

15. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

16. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.

17. We believe the implementation of the GASB Statements listed below is appropriate:
    a. GASB Statement No. 87, *Leases*

18. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

19. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within SVCE from whom you determined it necessary to obtain audit evidence.

    d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

20. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.

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21. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.

22. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud.

23. We have no knowledge of allegations of fraud or suspected fraud affecting SVCE's basic financial statements involving:

    a. Management.
    b. Employees who have significant roles in internal control.
    c. Others where the fraud could have a material effect on the basic financial statements.

24. We have no knowledge of any allegations of fraud or suspected fraud affecting SVCE's basic financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.

25. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

26. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

27. We have disclosed to you the identity of all of SVCE's related parties and all the related-party relationships and transactions of which we are aware.

28. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies or material weaknesses, in the design or operation of internal controls that could adversely affect SVCE's ability to record, process, summarize and report financial data.

29. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

30. It is our responsibility to inform you of all current and potential affiliates of SVCE as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests in, and other relationships with, affiliates of SVCE may create threats to independence. We have:

    a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.

    b. Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the

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materiality of an entity to SVCE's financial statements as a whole, (ii) the level of influence SVCE has over an entity's financial reporting process or (iii) the level of control or influence SVCE or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable SVCE and Pisenti & Brinker, LLP to identify and eliminate potential impermissible services and relationships between Pisenti & Brinker, LLP.

c. Made you aware, to the best of our knowledge and belief, of any nonaudit services that SVCE or any of our affiliates has engaged Pisenti & Brinker, LLP.

31. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Required Supplementary Information

32. With respect to the Management's Discussion and Analysis presented as required by GAAP and the Governmental Accounting Standards Board to supplement the basic financial statements:

a. We acknowledge our responsibility for the presentation of such required supplementary information.

b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.

c. The methods of measurement or presentation have not changed from those used in the prior period.

DocuSigned by:
Amrit Singh
A38F1DF92E8F407...
Amrit Singh, Chief Financial Officer
Silicon Valley Clean Energy Authority

DocuSigned by:
Mike Maher
87EE84606449460...
Mike Maher, Accountant

EXHIBIT B

Recent Accounting Pronouncements

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued by GASB and may affect the future financial reporting by SVCE.

Pronouncement	Summary
GASB Statement No. 101, *Compensated Absences*	GASB Statement No. 101, Compensated Absences, is effective for fiscal years beginning July 1, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

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Santa Rosa, CA 95403
(707) 542-3343 • Office
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February 22, 2024

To Management and the Board of Directors
Silicon Valley Clean Energy Authority
333 W. El Camino Real, Suite 330
Sunnyvale, California

In planning and performing our audits of the financial statements of Silicon Valley Clean Energy Authority (SVCE) as of and for the years ended September 30, 2023 and 2022, in accordance with auditing standards generally accepted in the United States of America, we considered SVCE's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SVCE's internal control. Accordingly, we do not express an opinion on the effectiveness of SVCE's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control during our audits that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

This communication is intended solely for the information and use of management and the Board of Directors and is not intended to be, and should not be, used by anyone other than these specified parties.

PISENTI & BRINKER LLP



Kellin Gilbert
Partner

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SILICON VALLEY CLEAN ENERGY

Staff Report – Item 4

Item 4:	**Adopt Resolution Approving the Mid-Year 2023-24 Adjusted Operating Budget**
From:	Girish Balachandran, CEO
Prepared by:	Amrit Singh, CFO and Director of Administrative Services
Date:	3/13/2024

RECOMMENDATION

Staff recommends that the Board of Directors adopt Resolution 2024-05, approving the Mid-year 2023-2024 (MY 2024)[1] Adjusted Operating Budget that projects depositing $112.6 million into the reserves.

FINANCE AND ADMINISTRATION COMMITTEE RECOMMENDATION

Staff presented the proposed MY 2024 Adjusted Operating Budget to the Finance and Administration Committee at its meeting on February 26th, 2024. The Committee reviewed the budget and asked clarifying questions, including comparing the size of the power supply expenses relative to the other operating expenses and the budgeting and setting of the target compensation range for the proposed new Associate Power Analyst position. After discussion with staff, the Committee unanimously recommended that the Board of Directors approve the MY 2024 Adjusted Operating Budget.

BACKGROUND

The Board of Directors first adopted the annual budget for the fiscal year 2023-24 (FY 2024) at the September 23rd, 2023, meeting. Because of great uncertainty regarding PG&E's January 2024 rate changes, the adopted budget was based on conservative rate change assumptions, and staff committed to updating the budget in December 2023. At the December 13th, 2023, Board meeting, the Board adjusted the budget to reflect better information on PG&E's January 2024 generation rate changes and Power Charge Indifference Adjustment[2] (PCIA) charges. Due to PG&E rate changes that improved SVCE's margins, the Board in December adjusted the budget to maintain a 4% general customer discount rate relative to comparable PG&E generation rates and to provide a bill credit for low-income (CARE/FERA) customers that was equivalent in total dollars to a 1% rate discount for all customers. The Board also transferred an additional $20 million to the Programs Fund, set aside $20 million for an SVCE office building fund, and planned in reserves for a 4% rate discount over the next two additional fiscal years.

At Midyear, Staff is adjusting the budget to update the energy supply expenses using the latest market price data and portfolio positions, update the revenues to reflect the final rate changes that went into effect starting January 2024, and update other minor changes in operating expenses and projected investment income.

ANALYSIS & DISCUSSION

The MY 24 Adjusted Operating Budget is balanced and presents SVCE in stable financial condition.

[1] The fiscal year 2023-24 started on October 1, 2023, and ends on September 30, 2024.

[2] Public Utility Code Sections 366.1 and 366.2 require the CPUC to make sure that customers leaving PG&E do not burden remaining PG&E customers with costs that were incurred to serve them. To ensure customer indifference, CCAs and Direct Access or departing load customers are required to pay a power charge indifference adjustment (PCIA).

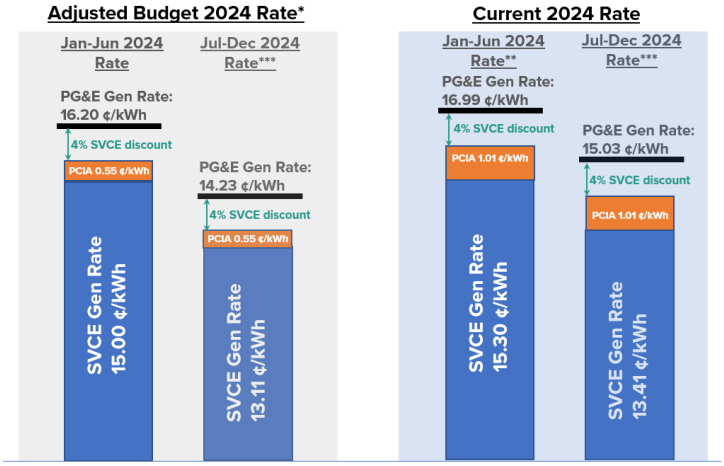
The projected available balance for reserves of $112.6 million is an increase of $38.8 million from the $73.8 million presented in the December 2023 adjusted FY 24 Budget. The improvement in contribution to reserves primarily results from decreased energy costs resulting from lower realized and forward energy market prices, a slight improvement in SVCE margins from CPUC's adoption of the 2024 PG&E rates, and increased investment income from continued higher interest rates. These improvements are partially offset by lower energy sales realized from October 2023 to December 2023 and slight increases in operating expenses.

The table below illustrates the $38.8 million increase:

Revenues	- $1.8M
Power Supply Cost	- $33.9M
Other Operating Expenses	-$0.2M
Investment Income	+$6.4M
Reserve Balance	**+$38.8**

Energy Revenues

The energy revenues are slightly lower by about $1.8 million from the December budget. While CPUC's final adopted PG&E generation rates and charges overall improved SVCE's margins by 2%, as shown in the illustration below, the decrease in realized sales from October to December 2023 due to milder weather more than offset the increases.



Power Supply Expenses

Power prices are highly volatile. Since adopting the adjusted budget in December 2023, calendar year 2024 prices have dropped about 14%, and the 5-year average forward prices have dropped 7%. The decrease in energy market prices and the weaker realized load primarily contribute to the reduction of $33.9 million in energy supply costs. The October to December 2023 actuals were about $21.2 million lower than the adjusted budget. The projected costs for January to September 2024 are approximately $12.7 million lower than the adjusted budget, mainly due to lower market prices.

Operating Expenses

Operating expenses decreased by about -$0.2 million, mainly due to realized savings from October to December, partly offset by the addition of four staff positions and slightly higher professional services and marketing costs.

The CEO approved the following three new staff positions using the personnel authority:

1. General Counsel to ensure adequate legal support both in complexity and volume as the agency grows and matures
2. Board Clerk/Executive Assistant to assist with Board meetings and provide additional administrative support to the organization
3. Senior Program Specialist to further support the development of the agency's increasing Decarbonization Programs

The MY 2024 requests approval of an additional Associate Power Analyst position to support the increasing complexity of managing the energy procurement portfolio. Including the four positions after accounting for already realized vacancy savings decreases the annual staffing expenses by $558,000.

The professional services budget increased by $126,000 due in part to contracting for a third-party consulting service to analyze the economics of providing 24x7 clean energy and implementation of a new human resources information system, which upfronts the implementation cost for this fiscal year, but ongoing costs are comparable to the retirement of the current HR payroll tool.

The marketing and communications cost increased by about $194,000, resulting from additional anticipated marketing materials.

Programs Budget

SVCE will continue incorporating projected Decarbonization Programs spending over the 5-year forecast into the reserve balance projections. For this fiscal year, Program spending is forecasted at $21.6 million, CRCR[3] spending at $2.7 million, and E-Elec, the all-electric discounted rate, discount utilization at $675,000.

Non-Operating Revenues

Investment income is projected to increase by $6.4 million, resulting from continued high interest rates from SVCE's investments.

STRATEGIC PLAN

The recommendation supports all goals of the board's adopted strategic plan. Specifically, the recommendations strongly support Goal 19 - "Commit to maintaining a strong financial position" and the accompanying Measure, "Present balanced budget that achieves cash reserve targets, weighs tradeoffs between customer value proposition and contribution to reserves and maintains competitive rates."

ALTERNATIVE

Staff is open to feedback and suggestions from the Board. At a strategic level, the Board can change the discount to PG&E, the carbon-free percent of the power supply portfolio, the renewable percent of the power supply portfolio, and the funding for the Decarbonization Programs.

Staff does not recommend any specific changes given a sufficient projected reserve balance that maintains SVCE's stable financial condition.

FISCAL IMPACT

The MY 2024 Adjusted Operating Budget includes $552.86 million in revenues and $440.28 million in expenses, non-operating revenues, and transfers, resulting in a contribution to reserves of $112.6 million.

ATTACHMENTS

1. Exhibit A: Mid-Year 2023-24 Adjusted Operating Budget
2. Resolution 2024-05, Adopting the Mid-Year 2023-24 Adjusted Operating Budget

[3] CRCR, the ~$10 million Customer Relief and Community Resilience Program, was established in 2020 to provide COVID credit payments to income-qualified customers as bill assistance, support local workforce training, and fund resiliency planning and capital expenditures at SVCE member cities.

Exhibit A: Mid-Year 2023-2024 Adjusted Operating Budget

SILICON VALLEY CLEAN ENERGY
FY 2023-24 OPERATING BUDGET
($ in thousands)

DESCRIPTION	FY 2023-24 MID-YEAR ADJUSTED BUDGET
ENERGY REVENUES	
Energy Sales	550,852
Green Prime	1,962
Other Income	50
TOTAL ENERGY REVENUES	**552,864**
ENERGY EXPENSES	
Power Supply	365,617
OPERATING MARGIN	**187,247**
OPERATING EXPENSES	
Data Management	3,413
PG&E Fees	1,470
Salaries and Retirement	14,818
Professional Services	8,210
Marketing & Promotions	1,250
Notifications	315
Lease	551
General & Administrative	2,091
TOTAL OPERATING EXPENSES	**32,118**
OPERATING INCOME (LOSS)	**155,129**
NON-OPERATING REVENUES	
Interest Income	12,867
Grant Income	0
TOTAL NON-OPERATING REVENUES	**12,867**
NON-OPERATING EXPENSES	
Financing	3
Interest	0
TOTAL NON-OPERATING EXPENSES	**3**
TOTAL NON-OPERATING INCOME (EXPENSES)	**12,864**
CHANGE IN NET POSITION	**167,994**
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	
Capital Outlay	50
Building Fund	20,000
Transfer to CRCR Fund	0
Program Fund	28,874
Nuclear Allocation	2,188
Multi Family Direct Install Program	0
Electrification Discount Program	0
Customer Bill Relief	4,300
Other	0
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	**$55,412**
BALANCE AVAILABLE FOR RESERVES	**$112,582**

SILICON VALLEY CLEAN ENERGY AUTHORITY RESOLUTION

NO. 2024-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY TO APPROVE THE MID-YEAR 2023-2024 ADJUSTED BUDGET FOR SILICON VALLEY CLEAN ENERGY

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

WHEREAS, the Authority operates on a fiscal year budget cycle from October 1st through September 30th;

WHEREAS, a mid-year adjusted version of the Authority's budget for each fiscal year is generally presented to the Board of Directors at the midpoint of the fiscal year in March;

WHEREAS, staff has incorporated direction from recent Board discussions around rates, programs, and customer relief and has prepared an adjusted budget, set forth in Exhibit A (the "Adjusted Budget");

NOW THEREFORE, the Board of Directors of the Silicon Valley Clean Energy Authority does hereby resolve that**:**

1. The foregoing recitals are true and correct.

2. The Board of Directors hereby approves and adopts the Mid-Year Adjusted Budget, as set forth in Exhibit A, as the Authority's fiscal year 2023-2024 budget.

PASSED AND ADOPTED this 13th day of March 2024, 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	Alternate Director Ristow				
City of Milpitas	Director Chua				
City of Monte Sereno	Alternate Director Craig				
City of Morgan Hill	Director Martinez Beltran				

DRAFT

City of Mountain View	Alternate Director Abe-Koga				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

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Chair

ATTEST:

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Andrea Pizano, Board Secretary

DRAFT

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 5

Item 5:	**Adopt Resolution Approving Funding Allocations for Decarbonization Programs**
From:	Girish Balachandran, CEO
Prepared by:	Justin Zagunis, Director of Decarbonization Programs & Policy Douglas Bernard, Management Analyst
Date:	3/13/2024

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) adopt Resolution No. 2024-06 to approve the initial funding allocations and details provided for the programs herein. This resolution allocates approximately $34 million in already-authorized programs funding to several program categories. The allocations and some additional draft programmatic details are summarized in the table below.

Allocation Category	Planned Program Elements	Allocation
Expanded single family home electrification (renters, lower costs, etc.)	• No-cost installs for income-qualified • "Turnkey" installs using SVCE-selected contractor, with customer co-payment • Emergency water heater replacement that supports electrification • Aggregating projects to test electrification of entire neighborhoods at once • Support for portable, window-unit heat pumps	+$16.00M
Customer awareness (experiential and marketing)	• Grants for community-specific projects and programs supporting decarbonization to agencies and local organizations • Updated online resources in SVCE's eHub • Funds for marketing current and upcoming programs to increase uptake	+$11.50M
E-mobility incentives	• Income-qualified electric vehicle (EV) rebates and education activities • Income-qualified e-bike incentives	+$2.00M
Workforce	• Enhance regional electrification workforce efforts in partnership with local initiatives and stakeholders	+$1.30M
Commercial and Industrial (C&I) projects	• Technical support and decarbonization incentives for C&I customers	+$2.00M
Other	• Support demand flexibility (and virtual power plant) enrollment and responsiveness • Third-party evaluation of new programs	+$0.75M
	TOTAL	**+$33.55M**

Table 1: Summary of allocations and draft program details

BACKGROUND

As of the end of Fiscal Year 2022-2023, approximately $86 million had cumulatively been set aside by the SVCE Board since SVCE's inception to support innovative and impactful decarbonization programs and policies. Today, SVCE is offering over 20 initiatives to its customers and roughly 85% of the approved funds have been spent, are currently available to customers via an incentive or service, or will be deployed soon. The remainder of the funds are allocated to other future efforts and a small portion of these funds were not yet allocated to any specific program.

The Board approved $20 million in additional funding for programs in December 2023, on top of the roughly $9 million committed to programs in October 2023 as part of the Fiscal Year 2023-2024 budget (based on 2% of revenues). These funds, in addition to roughly $5 million in previously approved but unallocated funds, constitute the $33.55 million in the proposed allocation in this report.

In June 2023, the Executive Committee provided some feedback on a set of initial program elements to be considered for future funding. Staff continued to revise these concepts based on additional customer and stakeholder feedback, the impact of ongoing programs, and observation of additional needs. Now with certainty on how much funding had been allocated to decarbonization programs, a revised set of program categories and draft program elements were brought to the Executive Committee for feedback in February 2024 before being brought to the Board today.

ANALYSIS & DISCUSSION

Overview

The approximately $34 million in funding allocated herein towards decarbonization initiatives will likely take ~3 years to fully deploy. The total funding authorized by the Board to spend on decarbonization programs and policy, include the most recent authorizations, is currently ~$116 million – this report allocates remaining unallocated funds within this total. The programs proposed in this report will continue to be scoped, shaped, and adjusted in the coming months and years based on continued stakeholder input and ongoing evaluation of whether programs are meeting their objectives post-launch.

The selection of these programs was driven by learnings from previous and ongoing SVCE programs, along with an extensive review process including: analysis of existing programs (budget, objectives, impacts, state of market), analysis of portfolio (gaps, needs, program data, customer input), and evaluation of new proposed ideas (apply scoring methodology based on programs values/goals, review of proposed work plans). These new programs support SVCE's ongoing efforts to enable policy as a key lever for driving large-scale impacts. Staff's proposed program categories and elements will help continue to build the foundation for policy to succeed by addressing gaps on cost (e.g. no-cost installation program for income-qualified customers), ease of action (e.g. emergency water heater replacement program), and others.

Additional details on the envisioned program elements for each category and planned funding level:

Single family installation program (+$14 million)

- No-cost installation for low-income customers: offer no-cost complete home electrification to income-qualified customers, using an SVCE-selected contractor. Complementary to SVCE's upcoming, already-contracted multifamily no-cost, income-qualified offer.
- Emergency water heater replacement: quick-response installer to help in emergency failures. Provide a temporary unit if wiring upgrade work is needed for a permanent electric heat pump solution.
- Turnkey install with co-payment: provide a simple pathway for residents who want to electrify but don't have much time or knowledge, using an SVCE-selected contractor. Homeowners still pay for the project themselves, after the contractor pursues all available rebates (SVCE and other).

Neighborhood-scale electrification (+$1.5 million)

- Aggregating projects in an area may lead to lower per-customer project costs by simplifying things for the contractor. This program would help test whether entire neighborhoods are willing to electrify at once, which is essential to future "gas system pruning" – a concept where funds that would typically

have been invested in upgrading or replacing the methane gas distribution system are instead invested in electrifying homes and decommissioning the gas system. This approach could unlock significant funding for electrification and help scale cost-effectively.

Portable heat pumps (+$0.5 million)

- For renters or properties that aren't good fits for more permanent heat pump solutions, these window unit heat pumps can provide electrification benefits.

Community decarbonization grants (+$10 million)

- Provide grants to enable localized, community-specific decarbonization efforts that demonstrate electrification, provide decarbonization benefits to the community, and/or increase community resilience. Focus on building customer awareness through enabling local programs (e.g. targeted battery backup program to help mitigate outages), installations (e.g. public EV charging) or demonstrations (e.g. electrifying a school or a gym and driving residents to visit) beyond SVCE's own programs. Some funds will be allocated to member agencies and the competitive portion will also be available to other community organizations.

eHub (+$1 million)

- SVCE is updating components of the SVCE website that help customers on their electrification journey. Presently includes Solar/Battery Assistant, Appliance Assistant, and EV Assistant. Version 2.0 is being determined through an ongoing solicitation.

Programs marketing fund (+$0.5 million)

- Separate funding dedicated to marketing efforts to increase program enrollments. Covers email, social media, tabling, events, and other marketing channels to rapidly increase uptake, particularly in already-launched programs.

Targeted EV rebates and education (+$1.5 million)

- The EV education programming may consist of: Community Ride & Drive events where they are not already happening, and/or incentivizing short-term EV rentals for customers to test drive EVs and see how they integrate into their lifestyle. Will include incentives for EVs for income-qualified customers (considering new and used vehicles).

E-bikes (+$0.5 million)

- E-bike incentive for income qualified customers.

C&I technical support and incentives (+$2 million)

- Support energy and sustainability goals of C&I customers while strengthening customer relationships with SVCE. Facilitate the completion of energy efficiency and carbon emissions reduction projects, particularly upgrading to electric equipment.

Workforce development partnerships (+$1.3 million)

- Prepare workforce in SVCE territory to electrify buildings at scale. Identify opportunities to enhance regional electrification workforce efforts. Invest in local workforce initiatives, based on feedback from ongoing discussions with workforce stakeholders. May include regional supplier diversity training, apprenticeship scholarships, or support for existing pipeline initiatives to widen early career training.

Virtual power plant (+$0.5 million)

- Recruit, enroll, and encourage participation from customers in a demand flexibility service by providing bill savings or incentives for customers to earn, and minimal-to-no disruption in customer convenience and comfort.

EM&V (+$0.25 million)

- Post-closing or mid-program evaluation and measurement of a program impacts, successes, and challenges. Third-party validation of programs.

Once these program category allocations are approved, staff will continue to iterate and adjust program element details post-launch or during final scoping to incorporate stakeholder feedback, pivot to increase uptake based on what is learned, or address remaining gaps. Progress will continue to be reported to the Board via the quarterly programs report and any future contracts above $100K (or any revised threshold) will still be brought to the Board for approval.

STRATEGIC PLAN

The proposal primarily supports the 2024 Strategic Focus Area approved by the Board to "Accelerate Building and Electrification Transportation" and the Strategic Plan Goal "coordinate development of decarbonization and resilience strategy, lead design of local policy and programs, and support program deployment."

FISCAL IMPACT

This item has no incremental fiscal impact, as the approximately $34 million being allocated has already been authorized by the Board. This resolution merely indicates how the funding will be split amongst program categories.

ATTACHMENTS

1. Resolution No. 2024-06 Approving Funding Allocations for Decarbonization Programs

RESOLUTION NO. 2024-06

RESOLUTION OF THE BOARD OF DIRECTORS OF SILICON VALLEY CLEAN ENERGY AUTHORITY APPROVING FUNDING ALLOCATIONS FOR DECARBONIZATION PROGRAMS

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

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

WHEREAS, the Board adopted the Decarbonization Strategy and Programs Roadmap and initial budget for the implementation of decarbonization programs pursuant to the Roadmap on December 12, 2018 by Resolution No. 2018-20 with additional direction provided in subsequent roadmaps and approval of funding allocation; and

WHEREAS, the Board authorized additional funding for programs in December 2023, on top of funding authorized in the Fiscal Year 2023-2024 budget and already committed to programs; and

WHEREAS, Staff brought program concepts to the Executive Committee in February 2024 to get feedback;

NOW, THEREFORE, the Board of Directors of the Silicon Valley Clean Energy Authority does hereby approve the initial funding allocations and details provided for the five decarbonization programs as outlined in the following table:

Allocation Category	Planned Program Elements	Allocation
Expanded single family home electrification (renters, lower costs, etc.)	• No-cost installs for income-qualified • "Turnkey" installs using SVCE-selected contractor, with customer co-payment • Emergency water heater replacement that supports electrification • Aggregating projects to test electrification of entire neighborhoods at once • Support for portable, window-unit heat pumps	+$16.00M
Customer awareness (experiential and marketing)	• Grants for community-specific projects and programs supporting decarbonization to agencies and local organizations • Updated online resources in SVCE's eHub • Funds for marketing current and upcoming programs to increase uptake	+$11.50M
E-mobility incentives	• Income-qualified electric vehicle (EV) rebates and education activities • Income-qualified e-bike incentives	+$2.00M
Workforce	• Enhance regional electrification workforce efforts in partnership with local initiatives and stakeholders	+$1.30M
Commercial and Industrial (C&I) projects	• Technical support and decarbonization incentives for C&I customers	+$2.00M
Other	• Support demand flexibility (and virtual power plant) enrollment and responsiveness • Third-party evaluation of new programs	+$0.75M
	TOTAL	**+$33.55M**

DRAFT

ADOPTED AND APPROVED this 13th day of March 2024, 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	Alternate Director Ristow				
City of Milpitas	Director Chua				
City of Monte Sereno	Alternate Director Craig				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Alternate Director Abe-Koga				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

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Chair

ATTEST:

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Secretary

DRAFT

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 6

Item 6:	**Authorize the Chief Executive Officer to Execute an Agreement with Franklin Energy Services, LLC for Program Design and Implementation Support Services of a Single-Family Home Installation Program for a Period of Three Years and a Not-to-Exceed Amount of $14 million**
From:	Girish Balachandran, CEO
Prepared by:	Justin Zagunis, Director of Decarbonization Programs and Policy Leanna Huynh, Senior Programs Specialist
Date:	3/13/2024

RECOMMENDATION

Staff recommends the Board authorize the Chief Executive Officer (CEO) to execute the attached agreement with Franklin Energy Services, LLC (Franklin Energy) with non-substantive changes approved by the CEO and subject to final review and approval by General Counsel. The agreement is for program design and implementation support services of a single-family residential installation program for a period of three years and a not-to-exceed amount of $14 million.

BACKGROUND

In November 2020, the Board approved the Building Decarbonization Joint Action Plan (BDJAP), which identified FutureFit Homes as an initial incentive program to support the decarbonization of existing residential buildings. While incentives have helped early adopters and "do-it-yourselfers" make the transition to all-electric homes, deeper assistance may be needed to achieve greater scale and a broader set of customer participation. Silicon Valley Clean Energy (SVCE) recently launched the "Go Electric Advisor" – a concierge/hotline service intended to answer questions, connect customers to resources, and walk them through steps necessary to take action – to provide a certain level of additional assistance on top of available incentives.

But some customers (e.g. low income) and situations (e.g., water heater failure) may require a greater level of support to enable widespread upgrades to electric equipment. Staff, in collaboration with Peninsula Clean Energy (PCE) has worked to design the Single-Family Home Installation (SFI) Program, described below.

ANALYSIS & DISCUSSION

Based on evaluations of SVCE's customer programs and data from other state and regional programs, staff understands that there continue to be major barriers to decarbonizing single-family homes. Key barriers include:

1. *Lack of reliable contractors and clear pricing:* Incentive and technical assistance programs help to reduce cost and information barriers that customers experience in their electrification journey. However, some customers encounter issues in finding reliable contractors with electrification experience, who can provide transparent cost quotes, and who can help the customer easily navigate the incentive landscape.

2. *Incentive programs reach a limited audience:* Incentive programs are not effective at reaching everyone – only 6% of FutureFit Homes incentives have been leveraged by low-income customers. Analyses of customer participation in SVCE incentive programs indicate that participating customers are typically more engaged, energy-savvy, and able to invest in electrification; there is less participation from busier, lower-income, or less energy-aware customers. For such customers, programs must significantly lower project costs or offer free upgrades, provide reliable information, and offer convenient and reliable technical services.

3. *Water heater electrification in emergencies is very difficult:* For water heaters, switching from gas to a heat pump water heater can be complicated as it may require additional electrical service upgrades that cannot be implemented easily within a day. Most of SVCE's water heater incentives have been used by customers who are proactively replacing their gas water heaters in non-emergency situations. Customers who experience a water heater failure often install a replacement gas water heater because it is the fastest and most convenient option to restore hot water access. Such emergency situations may lead to electrification only if the customer is assured of hot water service continuity.

To address these customer barriers and meet the goals of the BDJAP, staff began scoping the SFI program. Staff envisioned a full-service program that removes cost and implementation barriers for customers, including low-income customers and customers with emergency water heater failures. In spring 2023, SVCE began conversations with PCE to explore aligning this building decarbonization initiative with the intention of improving efficiencies in program deployment while providing consistent services across our geographies.

Consultant Selection

SVCE staff collaborated closely with PCE staff on the SFI program conceptual design and consultant selection via PCE's competitive solicitation. PCE released a Request for Proposals (RFP) in August 2023 and received five proposals. SVCE staff served on PCE's review team.

On February 22, 2024, the PCE Board of Directors approved a 3-year contract with Franklin Energy for a SFI program in PCE's service territory[1]. The consultant team included:

- Franklin Energy, a design and engineering firm that delivers turnkey energy efficiency and decarbonization programs for residential, commercial, and industry customers of more than 60 utility and government partners in North America, will serve as the lead consultant and program operator;
- Three vendors will serve as installation contractors:
    - FUSE Service Inc. (Contractors State Licensing Board (CSLB) #1052421) is a General Contractor based in Santa Clara, CA with over 5,000 TECH Clean CA installations including 80 installations in SVCE territory;
    - Enso Squared Building Solutions (CSLB #783892) is a General Contractor with statewide presence, including work with Marin Clean Energy, SoCal Edison, and San Diego Gas and Electric;
    - Electrify My Home (CSLB #1070343) is an Electrical and HVAC Contractor based in Vacaville and is accredited by the Better Business Bureau with an A+ rating; and
- Vistar Energy Inc., a consulting firm that provides customized building energy efficiency and electrification software solutions, will provide an energy and bill impact modeling tool to develop cost-effective upgrade packages for homes.

SVCE has prepared the attached contract with this same consultant team selected by PCE. Leveraging selections made in recent, similar solicitations from comparable organizations is often referred to as "piggybacking" and is widely used by government agencies to avoid duplicating related solicitation efforts and use staff time most effectively. PCE's solicitation process meets with SVCE procurement standards. Franklin Energy included in their response to PCE a willingness to offer comparable terms, inclusive of price, to SVCE.

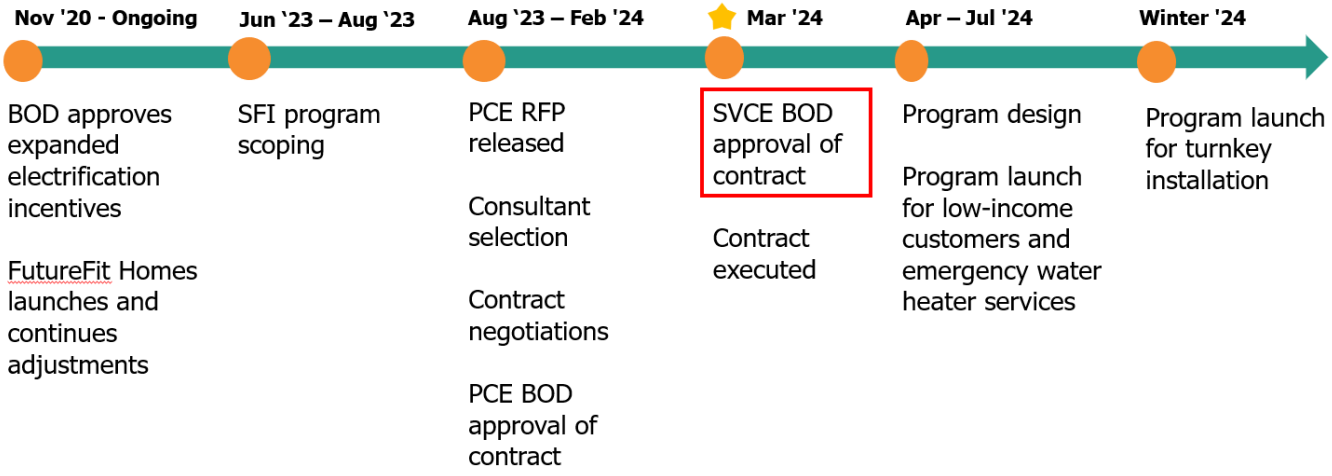
[1] Item #6, PCE Board of Directors Meeting. February 22, 2024. www.peninsulacleanenergy.com/wp-content/uploads/2024/02/02-22-24-BOD-Agenda.pdf

SVCE's scope of work with Franklin Energy is included in Exhibit A of the proposed agreement (Attachment 1). Staff requests the Board to approve the attached agreement with non-substantive changes approved by the CEO and subject to final review by General Counsel. This proposed 3-year agreement with a not-to-exceed amount of $14 million includes:

- Program design and administration ($726,000);
- Vendor-led marketing and outreach ($130,000);
- Technical assistance and support to single-family residential customers ($1,817,000);
- Home electrification installation services and incentives, including emergency water heater replacement ($10,300,000); and
- Contingency funds, to reactively allocate towards incentives, services, or additional program elements that may be added based on customer experience and feedback following initial launch ($1,027,000).

Further, the alignment of scopes and vendor, neighboring service territories, and launch timing through this collaboration with PCE will result in approximately $1 million in administrative savings to SVCE over the 3-year contract term with Franklin Energy. Staff will continue to coordinate with PCE to leverage efficiencies of scale and provide regional consistency in this program.

The timeline of the solicitation process and next steps to launch the SFI program are shown below:



Program Details

The SFI program intends to help residents who have barriers that may not be addressed by typical incentive programs, as well as support local contractors and provide continued experience in electrification projects. The key benefit of this program is that it offers an easy way for customers to access reliable contractors experienced with electrification projects and pre-negotiated fixed pricing for home upgrades.

The SFI program aims to fully electrify single-family residential properties (four or fewer units) and provide emergency water heater replacements. The program is comprised of three main elements:

Program Element	**(1) No-cost installation**	**(2) Cost-share turnkey installation**	**(3) Emergency water heater replacement**
Service	Whole-home electrification service, including the following as applicable: electrical service upgrade, energy efficiency, health and safety measures, structural	Whole-home electrification service, including the following as applicable: electrical service upgrade, energy efficiency, health and safety measures, structural remediation, air	Rapid replacement of failing water heaters with heat pump water heater in emergency situations. Temporary water heater provided to ensure no service interruptions.

Program Element	(1) No-cost installation	(2) Cost-share turnkey installation	(3) Emergency water heater replacement
	remediation, air quality measures, and permitting.	quality measures, and permitting.	
Project Cost-to-Customer	None. Any project costs not covered by state/regional incentives are covered by SVCE.	Customer accesses pre-negotiated fixed pricing offered by program. Customer pays for project costs less all the available incentives (SVCE and state/regional).	No cost for low-income customers. SVCE covers cost. Market-rate customers pay for project costs less all the available incentives.
Audience	Low-income	Market-rate	All customers
Target Homes	250	350	650
Workforce Support	SVCE will pay prevailing wage rates although it is not legally required for single-family installation projects. This helps to support the program's contractor workforce. As the program scales, Franklin Energy will vet additional contractors for consideration in the program.		

Some of the specifics in these program elements may be adjusted during the final design of the program with PCE and Franklin Energy, or based on customer and stakeholder input as the program is launched.

STRATEGIC PLAN

The Single-Family Home Installation program supports SVCE's Strategic Plan Goal 14, Measure 2 to "lead programs on decarbonization focus areas" including the built environment.

ALTERNATIVE

Staff could pursue alternative designs to address single-family electrification, including adding funding to existing programs, such as FutureFit Homes or Go Electric Advisor. However, this single-family installation service with Franklin Energy is a critical opportunity to innovate and test this approach along with SVCE's other ongoing programs. The end objective is to cost-effectively reach a broad audience of customers who may not be very invested in electrification by making it as convenient and easy as possible – an important set of customers to learn how best to reach to scale adoption.

FISCAL IMPACT

The program funding of $14 million for this program is already reflected in the total Board-approved programs allocation. Approval of this contract with Franklin Energy, therefore, will have no incremental fiscal impact.

ATTACHMENTS

1. Draft Agreement between SVCE and Franklin Energy Services, LLC for Single-Family Home Installation Program

AGREEMENT BETWEEN THE SILICON VALLEY CLEAN ENERGY AUTHORITY AND FRANKLIN ENERGY SERVICES, LLC FOR SINGLE-FAMILY HOME INSTALLATION PROGRAM

THIS AGREEMENT ("Agreement"), is entered into this 13 day of March, 2024, by and between the SILICON VALLEY CLEAN ENERGY AUTHORITY, an independent public agency, ("Authority"), and Franklin Energy Services, LLC., a Delaware limited liability company, located at 102 N. Franklin St, Port Washington, Wisconsin 53074 (hereinafter referred to as "Consultant") (collectively referred to as the "Parties" and individually as a "Party").

RECITALS:

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

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

C. Authority and Consultant desire to enter into an agreement for single-family electrification installation services and water heater replacement services upon the terms and conditions herein.

NOW, THEREFORE, the Parties mutually agree as follows:

1. TERM

The term of this Agreement shall commence on March 13, 2024, and shall terminate on March 13, 2027, unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED

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

3. COMPENSATION TO CONSULTANT

Consultant shall be compensated for services performed pursuant to this Agreement in a total amount not to exceed fourteen million dollars ($14,000,000.00) 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 Authority agree that time is of the essence regarding the performance of this Agreement.

5. STANDARD OF CARE

Consultant agrees to perform all services required by this Agreement in a manner commensurate with the prevailing standards commercially trained professionals under similar circumstances and in a manner reasonably satisfactory to Authority and agrees that all services shall be performed by qualified and experienced personnel. Consultant shall be responsible to Authority for any errors or omissions in the performance of work as described and specified in the applicable Scope of Services. Should any errors caused by Consultant be found in such services or products, Consultant shall correct the errors at no additional charge to Authority by redoing the professional work and/or revising the work product(s) specified for in the Scope of Services to eliminate the errors. Should Consultant fail to make such correction in a within ten (10) days, or a longer period of time to be mutually agreed to between the parties such correction may be made by Authority, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, Authority may deduct the cost of such correction from any retention amount held by Authority or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

6. INDEPENDENT PARTIES

Authority and Consultant intend that the relationship between them created by this Agreement is that of an independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No civil service status or other right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Authority to its employees, including but not limited to, unemployment insurance, workers' compensation plans, vacation and sick leave are available from Authority to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant.

7. NO RECOURSE AGAINST CONSTITUENT MEMBERS OF AUTHORITY

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

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8. NON-DISCRIMINATION

In the performance of this Agreement, Consultant, and any subconsultant under the 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, military or veteran status, or other basis prohibited by law, except as provided in Government Code section 12940. Consultant shall have responsibility for compliance with this Section.

9. HOLD HARMLESS AND INDEMNIFICATION

A. General Indemnification. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, defend, hold harmless and indemnify Authority and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those Authority agents serving as independent contractors in the role of Authority officials (collectively "Indemnitees"), from and against any and all third party claims, 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") directly caused by or arising out of the actions or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) resulting in (i) bodily injury to, or death of, persons or damage to or destruction of property directly caused or arising out of Consultants performance of Services under the applicable SOW in connection with or incident to the performance of the Services, or any destruction, or unauthorized access, use, or theft of data or (ii) third party allegations that any services or deliverables, or any portion thereof infringe that third party's copyright, patent, trademark, trade, name, trade secret, or any other intellectual property rights, provided that Consultant shall provide no indemnification and assume no liability to the extent any infringement, violation, trespass, or unauthorized us or misappropriation of any IP rights, that results from the Authority combining or modifying the services or materials provided to the Authority by the Consultant without permission of Consultant; except to the extent such Liabilities are caused by the Authority's negligence or willful misconduct.

B. Consultants indemnification obligations under this Agreement are conditioned on (i) the Authority providing timely notice of any claim or proceeding to the Consultant under which it intends to seek to enforce the indemnification obligations; provided, however, that an Authority's failure to notify the Consultant under this Section 9(B) will relieve the Consultant of its obligations under Section 9(A) only if and only to the extent the Consultant was prejudiced by not receiving timely notice of the claim , and (ii) the Authority fully cooperating with the Consultant, including making all defenses available to the Consultant that would be available to the Authority.

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C. The acceptance of the services by Authority shall not operate as a waiver of these rights of indemnification. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability.

D. Consultant's indemnifications and obligations under this section shall survive the expiration or termination of this Agreement.

E. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT, LOSS OF REVENUE OR LOSS OF OPPORTUNITY IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL EITHER PARTY'S LIABILITY FOR DIRECT DAMAGES RELATED TO THIS AGREEMENT EXCEED THE AMOUNT PAID BY THE AUTHORITY TO CONSULTANT DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM, EXCLUDING SUCH CLAIMS ARISING FROM THE RESPECTIVE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE PARTY, INTELLECTUAL PROPERTY CLAIMS AND DATA BREACH CLAIMS THESE LIMITATIONS OF LIABILITY APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, OR OTHERWISE, EVEN IF NOTIFIED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES.

F. Required clause to be included in Subcontractor Agreements: Subcontractor Release of Claims Against, and Hold Harmless of Authority

"Consultant/Subcontractor used by Franklin Energy to provide services for Silicon Valley Clean Energy (SVCE) discharges and releases SVCE and its officers, employers, employees, and agents from and against any and all claims, demands, liabilities, obligations, damages or chose in action, legal or equitable, of whatever kind or nature, including negligence by SVCE, in which Consultant/Subcontractor, and Consultant/Subcontractor's successors in interest, heirs, estates or personal representatives, or family members, now may have or assert, or may have had in the past or may have in the future, against SVCE as the result of, based upon, arising out of, or connected with SVCE's involvement with the Project. Consultant/Subcontractor is on notice of and hereby specifically and expressly waives the provisions of California Civil Code § 1542, which provides that a "general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor. Consultant/Subcontractor also agrees to indemnify and hold harmless SVCE from any and all claims, actions, suits, procedures, costs, expenses, damages, and liabilities, including attorney's fees and costs, brought as a result of SVCE's involvement with the Project, and to reimburse SVCE for any such expenses incurred."

For purposes of this provision, Authority is hereby intended to be a third-party beneficiary of any and all contracts executed by Consultant to implement this Agreement, pursuant to California Civil Code § 1559.

10. **INSURANCE**

A. General Requirements. On or before the commencement of the term of this Agreement, Consultant shall furnish Authority with certificates showing the type, amount, type 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, shall not limit Consultant's indemnification obligations under this Agreement, Consultant shall provide thirty (30) days' advance written notice of cancellation, except (10) days for non-payment of premium, to the Authority by certified mail, Attention: Chief Executive Officer." Consultant shall maintain in force at all times during the performance of this Agreement all appropriate coverage of insurance required by this Agreement with an insurance company carrying an AM Best Rating of A-II or Better that is acceptable to Authority and licensed to do insurance business in the State of California. Endorsements naming the Authority as additional insured shall be submitted with the insurance certificates.

B. Subrogation Waiver. Consultant agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Consultant shall look solely to his/her/its insurance for recovery. Consultant hereby grants to Authority, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Authority with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of Consultant may acquire against Authority by virtue of the payment of any loss under such insurance.

C. Subconsultants. Consultant shall require that all subconsultants maintain the same minimum insurance requirements as set forth herein. In Authority's sole discretion, it may require subconsultants to maintain different types of insurance as required by the type of work performed (for example only, builder's risk), and may allow subconsultants to maintain a an amount different from those set forth herein, so long as Consultant's insurance will cover any gaps in coverage. Consultant and any subconsultants shall not require customer insurance to be primary.

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

E. Sufficiency of Insurance. The insurance limits required by Authority are not represented as being sufficient to protect Consultant. Consultant is advised to confer with Consultant's insurance broker to determine adequate coverage for Consultant. Insurance limits do not limit Consultant's indemnity or other liability obligations under this Agreement.

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11. CONFLICT OF INTEREST

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

12. PROHIBITION AGAINST TRANSFERS

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of Authority. Any attempt to do so without such consent shall be null and void, and any assignee, sublessee, pledgee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer, provided, however, that the Consultant may in its discretion assign this Agreement or any of its rights or obligations under this Agreement to any parent, subsidiary or affiliated business entity of the Consultant or in the event of a merger, acquisition, the sale or transfer of majority of the assets, or change of control, so long as it provides written notice to Authority within thirty (30) days of assignment. Additionally, claims for money by Consultant from Authority under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent. Written notice of such assignment shall be promptly furnished to Authority by Consultant.

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

13. SUBCONTRACTOR APPROVAL

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

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

Consultant agrees to include within their subcontract(s) with any and all subcontractors the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, to the extent they apply to the scope of the subcontractor's work. Consultant shall also require that all subcontractors maintain all necessary licenses and insurance and comply with all applicable laws for the type of work performed under this Agreement. Subcontractors hired by Consultant shall agree to be bound to Consultant and Authority in the same manner and to the same extent as Consultant is bound to Authority under this Agreement. Subcontractors shall agree to include these same provisions within any sub-subcontract. Consultant shall provide a copy of the Indemnity and Insurance provisions of this Agreement to any subcontractor. Consultant shall require all subcontractors to provide valid certificates of insurance and the required endorsements prior to commencement of any work and will provide proof of compliance to Authority, provided, Authority may allow, in its sole discretion, for a reduction in insurance requirements for subcontractors if the scope of subcontractor work does not necessitate all coverages or levels of coverage.

Authority approves the following anticipated subconsultants and their performance of the tasks noted below:

Table 1 – Anticipated Subconsultants

Anticipated Subconsultant	**Role**	**Exhibit "A" Scope of Services Tasks**
Vistar Energy, Inc. (see Exhibit "E" for anticipated Scope of Services and Payment Terms)	Development of Home Assessment tool	• Task 1 - Program design and set up • Task 4 – Direct Install Implementation • Task 5 - Cost-share Turnkey Implementation
FUSE Service Inc. CSLB[1] #: 1052421	Eligible Measure installation services	• Task 4 – Direct Install Implementation • Task 5 - Cost-share Turnkey Implementation • Task 6 – Emergency Water Heater Replacement Implementation

[1] Contractors State License Board

Enso Building Solutions Inc. CSLB#: 1102528	Eligible Measure installation services	• Task 4 – Direct Install Implementation • Task 5 - Cost-share Turnkey Implementation • Task 6 – Emergency Water Heater Replacement Implementation
Efficient Modern Heat Pump – HVAC dba Electrify My Home CSLB #: 1070343	Eligible Measure installation services	• Task 4 – Direct Install Implementation • Task 5 - Cost-share Turnkey Implementation • Task 6 – Emergency Water Heater Replacement Implementation

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 the applicable Scope of Services, shall be the exclusive property of Authority. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to Authority the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of Authority, and all publication rights are reserved to Authority. Consultant may retain a copy of any Report furnished to the Authority pursuant to this Agreement.

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

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

D. All Reports shall also be provided in electronic format.

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

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

15. **RECORDS**

Consultant shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by Authority that relate to the performance of services under this Agreement, in sufficient detail to permit an evaluation of the services and costs. For Tasks 4, 5, and 6 of the Scope of Work, the work will be invoiced per the pre-negotiated pricing established in this contract. All such records shall be clearly identified and readily accessible. Consultant shall provide to the Authority, or its representatives, access to such books and records upon five (5) days written notice at the Consultant's place of business during normal working hours, or electronically, and at Authority's sole expense and gives Authority the right to examine and audit same, and to make transcripts therefrom as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a minimum period of five (5) years after Consultant receives final payment from Authority for all services required under this agreement

16. **PARTY REPRESENTATIVES**

The Chief Executive Officer ("Authority Representative") shall represent the Authority in all matters pertaining to the services to be performed under this Agreement. Justin Kjeldsen (Consultant Representative") shall represent Consultant in all matters pertaining to the services to be performed under this Agreement.

17. **CONFIDENTIAL INFORMATION AND DOCUMENTS**

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

B. Consultant shall promptly, unless prevented by applicable law, notify Authority should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the Authority. Authority may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with Authority and to provide Authority with the opportunity to review any response to discovery

requests provided by Consultant. However, Authority's right to review any such response does not imply or mean the right by Authority to control, direct or rewrite the response.

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

D. Consultant agrees to comply with the confidentiality and data protection 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.

F. It is understood that Authority is subject to the California Public Records Act (Gov. Code § 7920.000 *et seq*., "Public Records Act"). If a request under the Public Records Act is made to view Consultant's designated confidential information, Authority will notify Consultant of the request and the date that such records will be released to the requester unless Consultant obtains a court order enjoining that disclosure. If Consultant fails to obtain a court order enjoining that disclosure, Authority will release the requested information on the date specified.

18. **NOTICES**

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

TO Authority:
333 W. El Camino Real
Suite 330
Sunnyvale CA 94087
Attention: Chief Executive Officer

TO CONSULTANT:
Franklin Energy Services, LLC
102 N. Franklin Street
Port Washington, WI 53074

With copy to:
Franklin Energy Services, LLC
Legal Department
102 N. Franklin Street
Port Washington, WI 53074
legal@franklinenergy.com

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 determined by the Authority but shall be not less than ten (10) days) and according to the requirements set forth in Authority's written notice of default, and in addition to any other remedy available to the Authority by law, the Authority Representative may terminate the Agreement by giving Consultant thirty (30) days written notice if such cure is not completed. Authority Representative shall also have the option, at its sole discretion and without cause, of terminating this Agreement by giving thirty (30) days' prior written notice to Consultant as provided herein.

Upon receipt of any notice of termination, Consultant shall immediately discontinue performance. The Authority will compensate Consultant for all unpaid, undisputed amounts due prior to the termination date. In the event of Authority's termination of this Agreement due to no fault or failure of performance by Consultant, Authority shall pay Consultant for services satisfactorily performed up to the effective date of termination, plus, all unpaid, undisputed amounts due prior to the termination date. Upon termination, Consultant shall promptly deliver to the Authority any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by Consultant or given to Consultant, in connection with this Agreement. Such materials shall become the property of Authority.

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, including, but not limited to the Americans with Disabilities Act, the Stored Communications Act, 18 U.S.C. Section 2701, et seq., California Civil Code Sections 1798.80 through 1798.84, and the California Consumer Privacy Act, Civil Code Section 1798.100 *et seq*. Authority, and its officers and employees, shall not be liable at law or in equity by reason of the failure of the Consultant to comply with this paragraph.

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

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Consultant understands and agrees that it is Authority's requirement that the Consultant, including both its assignees and subcontractors for the installation of equipment as described in "Exhibit A Scope of Services" be subject to the payment of prevailing wage and Consultant and any subcontractors, shall be fully responsible for complying with all California public works requirements including but not limited to payment of prevailing wage. Consultant shall be responsible for ensuring subcontractor/assignee compliance during the Term and shall notify Authority of any noncompliance as soon as it is discovered.

At Authority's discretion, Authority may, but is not obligated to, require Consultant to remove a subcontractor from performance of work pursuant to the Agreement if it is found to be noncompliant with this section.

Consultant hereby certifies that it owns, controls, or licenses and retains all right, title, and interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and other technology relating to any part of the services and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights"), except as otherwise expressly provided by this Agreement. Consultant warrants that the services to be provided pursuant to this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party.

21. CONFLICT OF LAW

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

22. ADVERTISEMENT

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

23. WAIVER

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

24. INTEGRATED CONTRACT

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

25. **AUTHORITY**

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

26. **INSERTED PROVISIONS**

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

27. **CAPTIONS AND TERMS**

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

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

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

29. **EXHIBITS**

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

30. **FORCE MAJEURE**

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

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31. **FINAL PAYMENT ACCEPTANCE CONSTITUTES RELEASE**

The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of Authority from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of Authority's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by Authority shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by Authority for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents, provided the Authority will provide such written acceptance within thirty (30) days of receipt of final invoice from Consultant.

32. **ATTORNEY FEES**

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

33. **SEVERABILITY**

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

34. **SUCCESSORS AND ASSIGNS**

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

35. **NO THIRD PARTY BENEFICIARIES INTENDED**

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

36. **COUNTERPARTS; FACSIMILE/PDF/ELECTRONIC SIGNATURE**

This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument. The Parties agree that a

facsimile, PDF or electronic signature may substitute for and have the same legal effect as the original signature.

37. **DRAFTING PARTY**

This Agreement shall be construed without regard to the Party that drafted it. Any ambiguity shall not be interpreted against either Party and shall, instead, be resolved in accordance with other applicable rules concerning the interpretation of contracts.

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

RECOMMENDED FOR APPROVAL

_____
Justin Zagunis, Director of Decarbonization Programs and Policy

RECOMMENDED FOR APPROVAL

_____
Amrit Singh, Chief Financial Officer/Director of Administrative Services

Franklin Energy Services, LLC
By: _____
Name: Grace Wu
Title: Chief Operations Officer
Date: _____

SILICON VALLEY CLEAN ENERGY AUTHORITY
A Joint Powers Authority

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

APPROVED AS TO FORM:

_____
Counsel for Authority

ATTEST:

_____
Authority Clerk

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Exhibit A
Scope of Services

Consultant shall provide the Services detailed in this Exhibit A, entitled "Scope of Services."

Silicon Valley Clean Energy Authority's ("Authority") mission is to provide clean, carbon-free electricity at competitive rates, and to work with its member communities to reduce GHG emissions. One key avenue for this is through customer decarbonization programs. Authority has developed several programs roadmaps/plans and been deploying programs since 2019. A key focus of such programs is to provide incentives and technical assistance for building electrification[2].

While incentives and technical assistance may assist early adopters in transitioning to all-electric buildings or vehicles, deeper assistance is needed to reach underserved customers. For many such customers, the economic, logistical, and technological barriers to electrification are significant. Therefore, Authority envisions a program that provides building electrification installation services to single-family or small multifamily residences, up to four units, with no central systems (hereafter referred to by the working title "Single-family Installation Program"). Consultant will leverage its technical expertise and local experience to deliver the Single-family Installation Program to eligible Authority customers.

I. Overview of Single-family Installation Program

The Single-family Installation Program will provide installation services for building electrification upgrades. This will include project advising and planning, building evaluations, site visits, permitting, equipment installation, and assistance with applicable third-party incentives and financing. The intent of these services is to remove financial, workforce, and implementation barriers in transitioning participating single-family properties to all-electric equipment and appliances. Authority intends to demonstrate the success of such a program in the Bay Area and identify challenges and solutions for future scalability.

The Single-family Installation Program will include three program elements:

1. **Income-qualified direct install electrification ("Direct Install")** – This element will provide no-cost direct installation services[3] for Eligible Measures, as outlined in Exhibit C, Table C-3, to eligible low-income customers living in single-family residences.

2. **Cost-share turnkey electrification ("Cost-share Turnkey")** – This element will provide turnkey installation services[4] for electrification measures to market-rate customers living in single-family residences. Wiring, circuitry, plumbing, carpentry, and

[2] Defined as the replacement of natural gas equipment for space heating, water heating, cooking, and clothes drying with efficient electric alternatives.
[3] Direct installation means start-to-finish installation of equipment at no cost to the customer.
[4] Turnkey installation means start-to-finish installation of equipment, which includes a Cost-share Payment contribution from the customer

other services required to enable the installation of the equipment will be included in the installation.

3. **Emergency Water Heater Replacement** - This element will provide rapid replacement of failing natural gas water heaters with a heat pump water heater under qualified conditions. If remediation is required, such as an electrical circuit, a loaner gas water heaters may be installed to ensure there is no service interruption while work proceeds through the Direct Install or Cost-share Turnkey services.

A) Single-family Installation Program Goals and Objectives

The intent of the Single-family Installation Program is to make the transition to all-electric construction as simple and easy as possible for single-family residences. The overarching goals of the Single-family Installation program are to: (1) reduce greenhouse gas emissions, and (2) efficiently and cost-effectively scale building electrification at single-family residences.

The program objectives in support of the Program goals are:

1. Ensure an affordable and easily accessible option for Authority customers to electrify their homes, including for emergency replacements.
2. Provide safer, healthier, resilient, zero carbon homes with improved indoor air quality, resilience, and lower energy bills.
3. Electrify low-income homes in Authority territory with a target of serving at least 250 Direct Install customers, 350 Cost-share Turnkey customers, and 650 Emergency Water Heater Replacement customers.
4. Establish dedicated crews of trusted, experienced installers with high quality equipment capable of whole home electrification using advanced methods to minimize the need to upgrade PG&E service lines.
5. Encourage establishment of sustainable and diverse electrification workforce.
6. Leverage all possible local, state, and federal electrification incentives to reduce Authority and/or customer's direct costs.
7. Support Authority's load-shaping needs.

B) Service Level Expectations (SLE)

The Service Level Expectations (SLEs) set minimum requirements for how a customer receives program services. The intent of the SLEs is to deliver timely, quality services and maintain high customer satisfaction. Consultant will track and aim to achieve the following SLEs:

1. Emergency replacements or loaners equipment must be installed within 48 hours of customer call including weekends and holidays.
2. For homes receiving a single electrification measure, install and energize equipment within 30 days of customer enrollment[5], barring PG&E service upgrade delays or

[5] Customer enrollment is determined upon receiving the customer's signed and completed Program Participation Agreement

building department-mandated delays regarding planning or building department permit review.

3. For homes receiving whole-home electrification[6] and/or minor home repair, install and energize all equipment within 60 days of customer enrollment, barring PG&E service upgrade delays.
4. When functioning gas-fired appliances and equipment (water heater, space heater, stovetop, clothes dryer) are electrified through the program, electric replacements must be installed, functional, and operating within 48 hours of the gas appliance(s) removal.
5. Achieve 90% satisfaction rating for program services from customer surveys.

C) Single-family Installation Program Staffing

Consultant agrees to staff the Single-family Installation Program in accordance with the Staffing Plan set forth in Table A-1. Consultant will notify Authority in writing concerning proposed changes to the staffing plan, and all such changes will require the prior written consent of Authority.

Authority may (i) request Consultant conduct criminal background checks to Authority's satisfaction on all Consultant's staff that may enter customer premises, and (ii) require that any staff of Consultant that fails the background check will not be permitted to enter any customer premises.

Peninsula Clean Energy Authority (PCE) intends to implement similar Services described in Exhibit "A" Scope of Services and execute its own agreement with Consultant, pending Board approval. In the event that PCE executes its own agreement with Consultant, PCE and Authority will jointly administer the Single-family Installation Program with Consultant as set forth in this Exhibit "A" Scope of Services.

Table A-1 Single-family Electrification Program Staffing Plan

Staff	Role & Responsibilities
Justin Kjeldsen Regional Director jkjeldsen@franklinenergy.com	Responsible for all program delivery and client satisfaction.
Gina Melekh Director of Business Development gmelekh@franklinenergy.com	Ensures client success and satisfaction.
Melina Corona Program Manager mcorona@franklinenergy.com	Will provide program administration and delivery.

[6] Whole-home electrification means space heating, domestic hot water, clothes drying, and stoves/ovens are all-electric post-installation.

Brett Bishop Operations Project Manager bbishop@franklinenergy.com	Will contribute subject matter expertise and field operations oversight.
Home Assessor (2 positions) To be hired upon contract execution	Will complete home assessments and provide technical assistance to customers
Joel Pereda Principal, Enso Building Solutions Inc joel@enso2.net	Executive leadership in delivery of installation services as subcontractor to Franklin Energy Services.
Michael Yafasov Principal, Fuse Service Inc mike@fuseservice.com	Executive leadership in delivery of installation services as subcontractor to Franklin Energy Services.
Larry Waters President, Electrify My Home larry.waters@electrifymyhome.com	Executive leadership in delivery of installation services as subcontractor to Franklin Energy Services.

II. Single-family Installation Program Implementation & Delivery

1 Program Design and Set Up

1.1 Kickoff and Check-in Meetings

Consultant will develop an agenda and lead a program kickoff meeting with Authority to review program goals and objectives, budget, timeline, and administrative processes at a mutually determined date following contract execution.

After the kickoff meeting, the Consultant will set up check-in meetings on a biweekly recurring schedule for the duration of the period of performance, unless more frequent meetings are necessary as determined by Authority. For check-in meetings, Consultant will work with the Authority's program manager(s) to determine the agenda at minimum one day prior to the meeting. Meetings will focus on program progress updates, reviewing deliverables, and determining expected milestones for the next meeting.

Task 1.1 Deliverable: Meeting agendas and meeting minutes

1.2 Provide Compliance Documentation

Consultant will provide Authority with documentation of insurance, all legally required certifications, and other requirements including for all subcontractors. If any materials are renewed or subcontractors changed, updated documents must be provided at that time, in accordance with the terms of the Agreement. Consultant will provide all subcontracts to Authority for review and approval to verify compliance with contract terms prior to execution.

Major supplementary documentation developed while delivering these services must also be provided as determined by Authority. This supplementary documentation shall be defined as: executed subcontracts, technical designs, permits, photographs of installed equipment, and materials developed for Authority and Consultant use.

Task 1.2 Deliverable: Compliance documentation, including for all subcontractors

1.3 Finalize Program Design and Strategy

Consultant will assist Authority in finalizing the program strategy, plan, and design. Prior to program launch, Consultant will:

1.3.1 Develop a detailed project timeline prior to kickoff meeting.

1.3.2 Refine plan for incorporating underserved community opportunities in workforce.

1.3.3 Co-develop with Authority refinements to Direct Install, Cost-Share Turnkey, and Emergency Water Heater Replacement services as needed.

1.3.4 Finalize Eligible Measures List, including measures outlined in "Exhibit C Table C-3". At Authority's discretion, the Eligible Measure List may include additional measures as described in Task 7 and agreed upon by Authority and Consultant.

1.3.5 Determine cost-share pricing structure and operations for Cost-Share Turnkey customers.

1.3.6 Determine approach for procuring equipment including selecting high-quality equipment providers with strong customer ratings for selected equipment and method for securing preferential pricing and any stocking needs.

1.3.7 Finalize staffing plan based on final services and program rollout timing.

1.4 Develop Program Handbook

Consultant will draft a Program Handbook for use by Authority and the Consultant. The Program Handbook will describe in greater detail the design, implementation, and policies of the Program. Consultant will submit a draft of the Program Handbook to Authority for review and approval before finalizing. Consultant will provide written revisions and update to the Program Handbook upon Authority request. The Program Handbook will include the following:

1.4.1 Customer and property eligibility requirements for Direct Install, Cost-Share Turnkey, and Emergency Replacement.

1.4.2 The terms and conditions for eligible customers to participate in the program.

1.4.3 The process for enrolling customers in the program, including customer journey, operational steps, and developing program referrals.

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1.4.4 Eligible Measures List as outlined in Exhibit C, Table C-3, and any additional measures added as part of Task 7

1.4.5 List of third-party programs that can be co-delivered/leveraged through the program, including measures and incentive amounts, and process for how they are applied for and accounted for through the program.

1.4.6 Home Assessment methodology including the following:

1. List of criteria that would deem a project ineligible for planned services by equipment type or issue (e.g., water heaters in locations too small for a heat pump water heater, knob and tube wiring in home, electric service capacity issues, etc.)
2. Testing and assessing procedures and required certifications, as appropriate.

1.4.7 Field verification standards for Eligible Measures, including handling of hazardous materials (e.g., asbestos and lead safe practices).

1.4.8 The process for getting building permits, including considerations that may be unique to particular jurisdictions.

1.4.9 The process for installing equipment, including manufacturer's and workmanship warranty documentation processes, health and safety protocols, and quality assurance.

1.4.10 The process for emergency replacement processing that enables a restoration of hot water within 48 hours of customer notice, and results in an electrified appliance at the end of the project.

1.4.11 The process for collecting customer payments for the Cost-Share Turnkey and Emergency Water Heater Replacement services, including customer invoices and payment schedule.

1.4.12 Dispute resolution guidelines and standard procedures including processes for handling customer and/or Subcontractor issues.

1.4.13 The process for providing Program Progress Reports (Task 1.10) and Monthly Expense Reports (Task 1.11).

1.4.14 The mechanism and process for ensuring prevailing wage compliance for Subcontractors, including reporting and auditing capabilities for Authority.

1.4.15 The process for performing door-to-door canvassing to generate qualified leads, including standard operating procedures, scripts, and other items as directed by Authority.

Task 1.4 Deliverable: Program Handbook

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1.5 Develop and Maintain Technical Design Guidelines

The Technical Design Guidelines will be used by Consultant to guide the development of each participating home's Project Scope of Work.

The Technical Design Guidelines will be based on the following principles:

1. Maximizing decarbonization with high cost-effectiveness.
2. Favoring installation and operation simplicity and reliability.
3. Delivering operating cost, comfort and air quality benefits to homeowners, while mitigating adverse conditions such as noise.
4. Designing for grid benefits and resilience where possible.
5. Permitting requirements of the local jurisdictions; and
6. Avoiding service upgrades through power-efficient, whole system design whenever possible. All program contractors will be expected to be trained on this topic.

In collaboration with Authority, Consultant will develop and maintain Technical Design Guidelines. Consultant will:

1.5.1 Draft the Technical Design Guidelines to Authority for review and approval before finalizing. Technical Design Guidelines shall, at a minimum, include the following:

1. Installation guidelines and diagrams, if applicable, for Eligible Measures outlined in Exhibit C Table C-3, and any additional measures added as part of Task 7. Eligible Measures will also include minor home repair measures and, in some cases, energy efficiency and resilience measures.
2. Installation guidelines and diagrams, if applicable, for approved New Program Measures, Technologies and Methods (Task 7).
3. Home scenarios and a decision tree.
4. Process and guidelines for decommissioning gas equipment, capping gas lines, and if appropriate or necessary coordination with PG&E to remove gas meter.

1.5.2 Monitor industry best practice through associations such as ASHRAE and other forums.

1.5.3 Provide written revisions and updates to the Technical Design Guidelines based on industry best practices, learnings from the Program, and any additional measures added as part of Task 7 every 12 months or as mutually deemed appropriate

1.5.4 Design Technical Design Guidelines to be public-facing and consistent with Authority's Branding Guidelines.

Task 1.5 Deliverable: Technical Design Guidelines

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1.6 Develop Home Assessment Template

Consultant will modify an existing Home Assessment Template for use in conjunction with the XeroHome software platform (see "Exhibit E for XeroHome Scope of Work and Payment Terms") for Authority review and approval before use. Consultant will perform an in-home or virtual assessment and use the Home Assessment Template to document existing home conditions and equipment and determine measures' suitability to develop a customized Scope of Work (Task 5.5.1). The Home Assessment will include the following elements regarding equipment and appliances located at the residential property:

1.6.1 An inventory of physical conditions, age, and estimated remaining lifespan(s) of equipment, appliances, and home conditions.

1.6.2 Evaluation of the condition and capacity of the existing electrical systems and recommended upgrades that may be necessary to enable the proposed measures.

1.6.3 Analysis of panel capacity for recommended measures and whole-home electrification (either meter-based or electric load calculations as needed) to ensure home can electrify on service capacity and determine appropriate approach to electrical layout.

1.6.4 Recommended locations for new electrical equipment, noting any observed space or structural constraints and possible remedies.

1.6.5 Photos and diagrams (site, equipment, etc.).

Task 1.6 Deliverable: Home Assessment Template

1.7 Develop Project Scope of Work Template

In coordination with Authority, Consultant will draft a Project Scope of Work template for Authority review and approval before use. The Project Scope of Work will be provided by the Consultant to the homeowner and will include information necessary for the homeowner to understand the electrification opportunities available to them. The Project Scope of Work will be provided in electronic format, and available via paper upon customer request. Consultant will provide revisions and updates to the Project Scope of Work template upon Authority request. The Project Scope of Work template shall include the following elements:

1.7.1 Customer contact information (name, address, email, phone number)

1.7.2 Program contact information (email, phone number)

1.7.3 Recommended Eligible Measures (measure, quantity, cost)

1.7.4 Incentives (Authority and third-party rebates and incentives)

1.7.5 Financing options (Authority and third-party financing)

1.7.6 Cost (total and net of incentives)

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1.7.7 Proposed workplan and timeline that will be executed if customer opts to receive services

Task 1.7 Deliverable: Project Scope of Work Template

1.8 Develop Program Participation Agreement

In coordination with Authority, the Consultant will draft a Program Participation Agreement(s) that includes terms and conditions of the program and grants the Consultant and its subcontractors permission to perform activities necessary to participate in the Program including site visits, building evaluations, equipment installation, and evaluation, measurement and verification (EM&V). The Program Participation Agreement will be developed in paper and electronic formats. The Participation Agreement shall be signed by homeowners at the time of enrollment.

Task 1.8 Deliverable: Program Participation Agreement

1.9 Enroll in State or Local Programs

Complementary regional, state, and federal electrification incentive programs ("third-party programs") will be available during the program term, including but not limited to BayREN Home+, TECH Clean CA, CA Smart Energy Homes, GoGreen Financing, and the Inflation Reduction Act (IRA) electrification rebates. Maximizing third-party program incentives is necessary to reduce project costs across the Single-family Installation Program. Some third-party programs require enrollment as a qualified contractor to be eligible for incentives. As such:

1.9.1 Consultant and/or its Subcontractors shall enroll in third-party programs as directed by Authority and provide Authority with proof of enrollment.

1.9.2 During the program term, Consultant shall complete and submit applications for third-party programs for projects completed.

1.9.3 Consultant and/or its Subcontractors shall capture incentives from third-party programs and report on funds received and net Authority costs on Monthly Expense Report.

Task 1.9 Deliverable: Proof of enrollment in other incentive programs as directed by Authority.

1.10 Setup Customer Relationship Management (CRM) System & Data Exchange

A customer relationship management (CRM) system is critical to manage the pipeline of projects in an easily searchable and reportable way and analyze program performance. Consultant shall:

1.10.1 Set up an electronic customer relationship management (CRM) for the Program.

1.10.2 With Authority, jointly define all the data elements to be captured. Data elements shall include the following:

1. Customer contact information (name, address, phone, email);
2. Customer enrollment in Direct Install, Cost Share Turnkey, or Emergency Water Heater Replacement program element(s) and status for receiving services, including whether projects were declined by customer or infeasible with rationale;
3. Scheduled program activities, including date and time of site assessments, installations, inspections, etc.;
4. Customer's Project Scope of Work and resulting job orders;
5. Photos or diagrams of site conditions prior to installation;
6. Equipment and measures installation costs (quoted, actual);
7. Completed customer forms and records, including Program Participation Agreement, building permits, and inspection reports;
8. Customer payments collected as shown on contractor invoicing;
9. Installed equipment and measures (quantity, model, wattage);
10. Third-party rebate and funding sources utilized (program name, incentive amount, measure).

1.10.3 Transfer data to Authority's Salesforce CRM. With Authority, jointly define data to be transferred and the method and frequency of the automated data transfer.

1.10.4 Ensure data systems meet industry-standard security and that data is encrypted, at rest and in transit.

Task 1.10 Deliverable: Customer Relationship Management system and data exchange method

2 Administrative Reporting Tasks

2.1 Develop and Provide Program Process Reports

Consultant will provide monthly Program Progress Reports. Consultant will share the report findings at the biweekly check-in meeting with the Authority program manager(s). Program Progress Reports will include at minimum: program performance towards goals and objectives, successes and challenges (e.g., technical problems, implementation barriers, or customer issues, if any), and next steps.

On a regular schedule, but no less than quarterly, review SLEs and participant surveys collected by Authority to assess performance of the program, Consultant and subcontractors, work completed, and recommend to Authority program improvements.

Task 2.1 Deliverable: Program Progress Report

2.2 Develop and Provide Monthly Expense Reports

Consultant will develop a Monthly Expense Report Template for Authority review. After Authority approval of the Monthly Expense Report Template, Consultant will provide Monthly Expense Reports including all associated invoices, including by subcontractors, by a mutually determined day of the month to receive payment for services provided for the previous month. The Expense Report Template will include at minimum the following:

2.2.1 Measures installed (quantity, description, model number, cost);

2.2.2 Administration labor (task, subtask, hours, rate, total);

2.2.3 Project incentives from third-party rebate programs (program name, measure, total revenue);

2.2.4 Customer co-payments, collected by Subcontractors;

2.2.5 Total expenses for the reporting period by program element (i.e., Direct Install, Cost-Share Turnkey, and Emergency Water Heater Replacement);

2.2.6 Total program expenses by program element (i.e., Direct Install, Cost-Share Turnkey, and Emergency Water Heater Replacement);

2.2.7 Contingency expenses; and

2.2.8 Remaining program budget.

Task 2.2. Deliverables: Monthly Expense Report Template and Ongoing Monthly Expense Reports

2.3 Manage Prevailing Wage Compliance and Documentation

Consultant will be responsible for all prevailing wage compliance, including for all Subcontractors. Consultant will develop a written compliance mechanism prior to program launch and abide by those terms during the contract term. Consultant shall:

2.3.1 Provide compliance verification documentation by auditing first invoice of each Subcontractor and one randomly selected invoice of each Subcontractor for each twelve consecutive months and provide reports of such audit results to Authority on a regular basis;

2.3.2 Provide auditing capabilities for Authority, including access to any third-party platforms used for compliance verification.

2.3.3 Notify Authority of any noncompliance as soon as it is discovered;

2.3.4 At Authority discretion, remove Subcontractor from program if they are found to be noncompliant.

Task 2.3. Deliverables: Ongoing Prevailing Wage Compliance Reports

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2.4 Develop Annual Program Report

Consultant will develop an Annual Program Report consistent with Authority Branding Guidelines for public distribution within 3 months after completion of each 12-month period. Consultant will draft the Annual Program Report for Authority review and approval prior to public distribution. The Annual Report will include at minimum the following:

2.4.1 Executive summary;

2.4.2 List of outcomes for each Program Objective;

2.4.3 List of any additional accomplishments;

2.4.4 Summary of each project including home characteristics, measures installed, completion date, project duration, funding sources, costs;

2.4.5 Summary of average project costs for each equipment type, and lessons learned broken down by project type;

2.4.6 Evaluated conclusions drawn from the project including lessons learned and recommendations for future work; and

2.4.7 Financial summary comparing expenditures to the project budget.

Task 2.4 Deliverables: Annual Program Report

3 Marketing and Outreach

3.1 Coordinate Marketing and Outreach Activities

Authority has in-house marketing and communications professionals. Authority's Communications Team will be primarily responsible for marketing and outreach to customers via emails, mailers, digital ads, and messaging at public events and forums. Additionally, Authority will engage with community-based organizations (CBOs) partners to provide pre-qualified customer leads for the Program. Consultant will:

3.1.1 Work closely with Authority staff to ensure alignment with existing marketing and communications practices, including but not limited to branding guidelines and writing styles.

3.1.2 Participate in regular meetings (anticipated as quarterly) with Authority's Communications Team to discuss marketing approach, program progress, and marketing needs.

3.1.3 As needed, propose additional materials needed for the program and co-develop webpages, flyers, enrollment forms, educational forms, and other program materials with Authority's Communications Team.

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3.1.4 Assist in the development of a Marketing and Outreach Plan for the Program. The Marketing and Outreach Plan will include strategies such as door-to-door canvassing to target homes that are most likely to benefit from the services based on electric and gas meter data, building characteristics, demographics and other criteria as mutually determined.

3.1.5 Upon Authority's direction and approval and per the Marketing and Outreach Plan and Program Handbook, perform outreach activities, including door-to-door canvassing, to screen, enroll, and educate customers on the Program services.

3.2 Develop Case Studies

Consultant will produce two to four case studies per year (2-4 pages each) throughout the program period. The case studies are intended for public distribution and will highlight successes, challenges, costs, and best practices with transition to all-electric construction.

Task 3.2 Deliverable: Case Studies

4 Direct Install Implementation

4.1 Screen, Enroll, and Educate Customers

Consultant will:

4.1.1 Intake customers leads via online interest form hosted on Authority's website. Form will allow customer to specify preferred communication method (phone, text, email).

4.1.2 Screen customer leads based on Program Handbook (Task 1.4).

4.1.3 Respond to customers by their preferred communication channel within three (3) business days to enroll them in the program, which includes collecting eligibility verification documentation, such as income documentation, and scheduling a Home Assessment (Task 4.2).

4.1.4 Manage all customer communications in both English and Spanish by project staff. As needed, offer access to interpretation service for other priority languages (e.g., Mandarin, Cantonese, Vietnamese, and Tagalog).

4.1.5 Provide customer with educational materials on home electrification and on use and maintenance of equipment to be installed in customer's homes.

4.1.6 Where appropriate, refer customers to non-electrification programs, such as energy efficiency and home repair programs that customers may qualify for.

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4.2 Perform Home Assessment, Develop Customer Project Scope of Work, and Execute Program Participation Agreement

After completing Task 4.1 with the customer, Consultant will:

4.2.1 Serve as the enrolled customer's principal point of contact for the Program, provide ongoing support, and resolve any customer issues.

4.2.2 Perform an in-person or virtual Home Assessment in eligible customer's homes and update CRM (Task 1.10).

1. If an electrification plan was previously produced for the customer by Authority or a third-party, the electrification plan may be used as initial guidance for the Home Assessment but should be adapted as conditions and professional evaluation dictate.

4.2.3 Using data gathered from the Home Assessment, develop a proposed Project Scope of Work that is consistent with the Technical Design Guidelines (Task 1.5).

1. If within Program budget, whole home electrification scope is to be encouraged with the property owner. Property owner may decline measures, but at least one major electrification measure (i.e., water heater or space heating and cooling) is required to receive services.

4.2.4 Deliver Project Scope of Work to customer. Consultant will offer to review the Project Scope of Work with customer to explain findings, address any questions, and begin planning any installations.

4.2.5 Provide an unsigned version of the Program Participation Agreement (Task 1.8) to customer for their signature.

4.3 Install Measures and Provide Post-Installation Quality Control

Upon receiving the customer's signed Program Participation Agreement, the Consultant will:

4.3.1 Oversee Subcontractor who shall apply for building permits on behalf of the customer.

4.3.2 Oversee installation and manage Subcontractors installing measures outlined in the customer's Project Scope of Work (Task 1.7)

1. All equipment must be installed in accordance with all applicable federal, state, and local laws, building codes, manufacturer's specifications and permitting requirements.
2. If electrical service capacity upgrade is required, Subcontractor coordinate with PG&E on service and panel upgrades.
3. Consultant will notify Authority of any delays which may result in an installation start date later than 120 days from the customer's signed Program Participation Agreement

4.3.3 Periodically, as mutually determined with Authority, perform quality control procedures to evaluate Subcontractors' performance and implement changes as mutually deemed appropriate.

1. Where an inspection has been provided by the local Authority Having Jurisdiction (AHJ,) provide inspection report, which may be used as type of quality control for that installation. Consultant shall perform site visits in 5% of homes that didn't have an inspection report and provide reports to Authority on quarterly basis.
2. Additionally, Authority may request, upon five (5) days written notice site visits of up to 10 homes receiving services. Consultant shall participate in project site visits with the designated Authority staff member(s) at a mutually determined date.

4.3.4 Within ten (10) business days of installation, educate customer in successfully operating and maintaining the new measure(s) installed.

4.3.5 Provide customer with equipment technical manuals, equipment warranty documentation, installation warranty documentation that are supplied with the equipment by the manufacturer. Authority may pay for customer's 5-Year Warranty on select Eligible Measures, as defined in Exhibit F and priced in Exhibit C.

4.3.6 Respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues, according to the warranty obtained by customer. Address all workmanship and product replacement warranty issues to reasonable customer satisfaction.

4.4 Manage Program Funds and Third-Party Rebates

After completing the customer's installation, Consultant will:

4.4.1 Submit application(s) for third-party program(s) the project is eligible for to reduce project costs.

4.4.2 Pay invoices for equipment, labor, and Subcontractor services.

4.4.3 Provide Monthly Expense Reports (Task 2.2) to receive payment for Program services.

4.5 Provide Supporting Documentation for Completed Projects

Proper record-keeping is critical for the success of the Single-family Installation Program. As such, Consultant must timely and accurately make the following items available for each project in Consultant's CRM in order to receive payment for Services under this Agreement:

4.5.1 Customers' Project Scope of Work;

4.5.2 Photos, Permits, and Final Inspection Report;

4.5.3 Executed Program Participation Agreement and

4.5.4 Project Installation Data

5 Cost-share Turnkey Implementation

5.1 Screen, Enroll, and Educate Customers

Consultant will:

5.1.1 Intake customers leads via online interest form hosted on the Authority's website. Form will allow customer to specify preferred communication method (phone, text, email).

5.1.2 Screen customer leads based on Program Handbook (Task 1.4).

5.1.3 Respond to customers by their preferred communication channel within three (3) business days to enroll them in the program, which includes collecting eligibility verification documentation, if any, and scheduling a Home Assessment (Task 4.2).

5.1.4 Manage all customer communications in both English and Spanish by project staff. As needed, offer access to interpretation service for other priority languages (e.g., Mandarin and Cantonese, Vietnamese, Tagalog).

5.1.5 Provide customer with educational materials on home electrification and on use and maintenance of equipment to be installed in customer's homes.

5.1.6 Where appropriate, refer customers to other Authority programs such as Tariffed On-bill Financing or On-bill Financing Program, or non-electrification programs, such as energy efficiency and home repair programs that customers may qualify for.

5.2 Perform Home Assessment, Develop Customer Project Scope of Work, and Execute Program Participation Agreement

After completing Task 5.1 with the customer, Consultant will:

5.2.1 Serve as the customer's principal point of contact for the Program, provide ongoing support, and resolve any customer issues.

5.2.2 Perform an in-person or virtual Home Assessment in eligible customer's homes and update the CRM (Task 1.10)

1. If an electrification plan was previously produced for the customer by Authority or a third-party, the electrification plan may be used as initial guidance for the Home Assessment but should be adapted as conditions and professional evaluation dictate.

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5.2.3 Using data gathered from the Home Assessment, develop a proposed Project Scope of Work (Task 1.7 that is consistent with the Technical Design Guidelines (Task 1.5).

1. If within Program budget, whole home electrification scope is to be encouraged with the property owner. Property owner may decline elements but at least one major electrification measure (i.e., water heater or space heating and cooling) is required to receive Program services.

5.2.4 Deliver Project Scope of Work (Task 1.7) to customer which includes pricing of services, and information on all relevant rebates and financing options. Consultant will offer to review the Scope of Work to explain findings, address any questions, and begin planning any installations.

5.2.5 Provide an unsigned version of the Program Participation Agreement (Task 1.8) to customer for their signature.

5.3 Install Measures and Provide Post-Installation Quality Control

Upon receiving the customer's signed Program Participation Agreement, the Consultant will:

5.3.1 Oversee Subcontractor who shall apply for building permits on behalf of the customer.

5.3.2 Oversee installation and manage Subcontractors installing measures outlined in the customer's Project Scope of Work.

1. All equipment must be installed in accordance with all applicable federal, state, and local laws, building codes, manufacturer's specifications and permitting requirements.
2. If electrical service capacity upgrade is required, Subcontractor coordinate with PG&E on service and panel upgrades.
3. Consultant will notify Authority of any delays which may result in an installation start date later than 120 days from the customer's signed Program Participation Agreement

5.3.3 Periodically, as mutually determined with the Authority, perform quality control procedures to evaluate subcontractors' performance and implement changes as mutually deemed appropriate.

1. Where an inspection has been provided by the local Authority Having Jurisdiction (AHJ,) provide inspection report, which may be used as a type of quality control for that installation. Consultant shall perform site visits in 5% of homes that didn't have an inspection report and provide reports to the Authority on quarterly basis.
2. Additionally, Authority may request site visits of up to 10 homes receiving services. Consultant shall participate in project site visits with the designated the Authority staff member(s) at a mutually determined date.

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5.3.4 Within ten (10) business days of installation, educate customer in successfully operating and maintaining the new measure(s) installed.

5.3.5 Provide customer with equipment technical manuals, equipment warranty documentation, installation warranty documentation that are supplied with the equipment via the manufacturer. Customer may choose to pay for extended warranty terms on select Eligible Measures, as defined in Exhibit F and priced in Exhibit C.

5.3.6 Respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues, according to the warranty obtained by customer. Consultant shall not be responsible for any warranty remedies which are the responsibility of manufacturers

5.4 Manage Program Funds, Third-Party Rebates, and Customer Payments

After completing the customer's installation, the Consultant and/or its Subcontractors will:

5.4.1 Collect customer Cost-share Payments. Cost-share Turnkey projects shall be paid for by the customer and Authority. Customers will have a Cost-share Payment contribution, based on a fixed cost per Eligible Measure after applicable incentives are applied. The Subcontractor performing the work shall be responsible for collecting customer co-payments.

5.4.2 Submit application(s) for third-party program(s) the project is eligible for to reduce project costs. Where feasible, third-party program incentives shall be applied for by Consultant on behalf of the customer to reduce the cost of the customer's co-payment contribution.

5.4.3 Submit documentation to Authority on third-party rebate and incentive sources such as amount captured per month and net Authority cost after third-party rebates.

5.4.4 Pay Subcontractor invoices for equipment incentives provided by Authority upon receiving Authority payments.

5.4.5 Provide Monthly Expense Reports (Task 2.2) to receive payment for Program services.

5.5 Provide Supporting Documentation for Completed Projects

Proper record-keeping is critical for the success of the Single-family Installation Program. As such, Consultant must timely and accurately make the following items available for each project in Consultant's CRM in order to receive payment for Services under this Agreement:

5.5.1 Customers' Project Scope of Work;

5.5.2 Photos, Permits, and Final Inspection Report;

5.5.3 Executed Program Participation Agreement; and

5.5.4 Project Installation Data

6 Emergency Water Heater Replacement Implementation Tasks

Most water heater replacements are performed after the equipment has failed, and customers expect access to hot water within 48 hours of failure. The Emergency Water Heater Replacement element of the Program will be available to both Direct Install and Cost-Share Turnkey participants. When a gas water heater fails, there are three common emergency replacement scenarios:

1. **On-Site Electrification –** This scenario allows for immediate installation of a heat pump water heater on the day of the site visit.
2. **Gas Loaner Electrification -** Electrification is not feasible on the day of the site visit, typically due to the need to coordinate with an electrician. In this scenario, Authority envisions an installation of the temporary gas loaner unit while electrical services are coordinated.
3. **Infeasible -** Electrification is infeasible at the site due to criteria developed in Technical Design Guidelines (e.g., physical constraints, constrained PG&E service line, or other factors).

6.1 Coordinate Emergency Water Heater Replacement Services

Consultant will:

6.1.1 Provide a dedicated phone number (i.e., hotline) with dedicated Authority branded messaging for customers to call and schedule emergency water heater replacements. The hotline will be managed by Consultant and appropriate Subcontractors 5 days a week from 5 AM – 6 PM Pacific Time and on Saturdays from 5 AM to 11 AM Pacific Time. During these times, phone, email and text support will be provided by the Consultant

6.1.1.1 During the hours not supported by the Consultant's hotline, the phone number will roll to the hotline of the Subcontractor that is available 24/7/365 including holidays.

6.1.1.2 During hours not supported by Consultant's hotline, only phone calls will roll over to the Subcontractor's hotline. Texts and emails received during these hours will be answered by the Consultant during business hours indicated above.

6.1.2 When customers call the hotline, Consultant will promptly perform an over-the-phone initial screening to determine if an emergency replacement is feasible. If feasible, Consultant will schedule site visit.

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6.1.3 Perform in-person site visit within 24 hours of customer call to determine the emergency replacement scenario and applicable approaches (Tasks 6.2, 6.3, and 6.4)

6.1.4 Provide and manage gas water heaters for the "loaner" equipment to meet program volume.

6.2 Install Heat Pump Water Heater for On-Site Electrification Scenario

Installation Subcontractors will be responsible for going on site to determine if it is feasible to install a heat pump water heater on the day of the customer site visit. If installation is feasible on the day of the customer site visit Subcontractor will:

6.2.1 Select equipment sizing, model, and configure in accordance with Technical Design Guidelines (Task 1.5)

6.2.2 Perform electric load calculations or other assessments as needed.

6.2.3 Propose a Scope of Work (Task 5.5.1) for the heat pump water heater including pricing services with information on all relevant third-party program rebates and financing options.

6.2.4 Coordinate installation of system within 48 hours of customer call.

6.2.5 Install heat pump water heater in accordance with all applicable federal, state, and local laws, building codes, manufacturer's specifications and permitting requirements.

6.2.6 Apply for building permit and coordinate with the AHJ to obtain final inspections and complete job closure paperwork.

6.2.7 Within ten (10) business days of installation, educate customer in successfully operating and maintaining the new measure(s) installed.

6.2.8 Provide customer with equipment technical manuals, equipment warranty documentation, installation warranty documentation with paper documents in a durable envelope attached to the unit.

6.2.9 Respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues. Address all workmanship and product replacement warranty issues to reasonable customer satisfaction.

6.2.10 Offer Customers the Direct Install or Cost-Share Turnkey Services (Tasks 4 and 5), as applicable.

6.3 Install Loaner Gas Water Heater for Gas Loaner Electrification Scenario

If Subcontractor determines it is feasible to install heat pump water heater after additional upgrades to the home are made, Subcontractor will:

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6.3.1 Install a temporary gas water heating "loaner" equipment.

6.3.2 Subcontractor to Invoice Cost-share Turnkey Customer for emergency loaner deposit. The deposit will be put towards the cost of the heat pump water heater purchase. In the rare event that the heat pump water heater installation does not move forward, the deposit will cover the labor cost of installing loaner. Direct Install customers will not need to pay a deposit.

6.3.3 If heat pump water heater installation does not move forward, Consultant will:

1. Remove gas water heating loaner equipment and return to loaner stock.
2. May provide estimate and coordinate with customer on installation of replacement equipment as a service outside the scope of this Program.

6.3.4 Within 6 weeks of loaner installation, create and provide to customer a Project Scope of Work for heat pump water heater installation.

6.3.5 Coordinate heat pump water heater installation as specified in Task 6.2. Remove gas water heating loaner equipment and return to loaner stock.

6.3.6 Offer Customers the Direct Install or Cost-Share Turnkey Services (Tasks 4 and 5), as applicable.

6.4 Referral for Infeasible Scenario

If Subcontractor determines it is infeasible to install a heat pump water heater, Subcontractor will:

6.4.1 Provide information to resident, including reason why installation of heat pump water heater is infeasible.

6.4.2 If there is a local code requirement, complete future, Authority-developed, worksheet recording that site was considered infeasible for electrification and provide to customer as required.

6.4.3 Provide a referral to a qualified installer for a replacement gas unit. If Subcontractor is able to install a replacement gas unit, Subcontractor may offer this service outside the scope of this Program.

7 New Program Measures, Technologies, and Methods

A goal of the Program is to fully decarbonize homes and transportation in Authority service territory while providing exceptional customer experience at the lowest installation cost. To that end, the Authority and Consultant may propose new measures, technologies and methods for inclusion in the Program. Any new measures, technologies, or methods adopted shall be incorporated as Eligible Measures into the Program Handbook (Task 1.4) Technical Design Guidelines (Task 1.5), and "Exhibit C Table C-3 Eligible Measures Compensation" as an executed amendment. Area of interest include at a minimum:

7.1 Energy Efficiency

7.1.1 Develop with Authority, criteria and program delivery methods for deploying low-cost energy efficiency measures such as: air sealing, targeted insulation, duct sealing, sink aerators, LED lights, etc.

7.1.2 Non-electrification, energy efficiency measures should be limited to specific homes and circumstances where they increase effectiveness of electrification equipment, decrease cost of electrification installation, or significantly improve bill savings opportunity.

7.2 EV Charging

7.2.1 Develop methods to ensure homes are capable of accepting an EV charger with at least a 20-amp, 120 volt outlet on a dedicated circuit unless technically infeasible, such as lack of off-street parking.

7.3 Solar and Storage

7.3.1 Develop with Authority, criteria and program delivery methods for deploying solar-only and solar and storage systems where deemed appropriate with the intention of incorporating this element in the second year of the program.

7.3.2 Approaches to program delivery may include directly subcontracting with qualified solar and storage installers and/or recommending that Authority directly contract with such providers.

7.3.3 Solar and storage systems are anticipated to be financed through lease or power-purchase agreements unless customers opt for direct purchase (in the Cost-Share Turnkey service). However, Authority may elect at its discretion to pursue its own financing structures.

7.4 120 Volt Systems and Space + Water Heating Combo Systems

7.4.1 Monitor results of assessments for 120-volt water heater, space heating systems, and induction ranges.

7.4.2 Develop with Authority criteria and program delivery methods for deploying these systems as lower cost alternatives to traditional 240-volt systems under conditions that satisfy resident comfort needs.

7.5 Energy Resilience

7.5.1 Develop with Authority criteria and program delivery methods for deploying low-cost methods relevant across Authority climate zones for addressing heat wave and power outage measures which may include:

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1. Heat Wave: Ceiling fans, evaporative cooling, awnings/shading, window tints, etc.
2. Power outages: oversized water heater tanks, battery enabled appliances, portable batteries and uninterruptable power supplies, etc.

7.6 Virtual Power Plant

7.6.1 Develop with Authority criteria and program delivery methods for deploying load shaping technologies such as smart thermostats and water heaters with the intention of incorporating this element on a mutually determined schedule.

7.6.2 Develop with Authority methods for aggregating grid-enabled systems into dispatchable "VPP" groups on a mutually determined schedule.

7.6.3 Incorporate storage systems into the VPP systems.

7.7 Panels and Service Capacity

7.7.1 To keep costs down, Authority seeks an approach that avoids service upgrades where possible. Identify or develop tool or process for National Electrical Code (NEC) 220.83 and/or 220.87 calculations which will assist with upgrading homes without requiring a PG&E service upgrade.

7.7.2 Develop criteria for a) service upgrades or b) panel replacements without service upgrades such as due to safety needs.

7.7.3 Work with PCE to assess scenarios where smart panels, smart breakers, and circuit pausers may be useful and cost-effective.

7.8 Innovations

7.8.1 Pilot technologies as mutually determined to meet program objectives including not only technologies mentioned above but circuit splitters, circuit pausers, smart panels, and other technologies as mutually determined.

7.8.2 Incorporate innovations deemed successful into Technical Design Guidelines and standard practices as mutually determined.

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Exhibit B
Schedule of Performance

Consultant shall perform the Services so as to complete each task by the due date specified below. The time to complete each task may be increased or decreased by written agreement of the project managers for Consultant and Authority so long as all work is completed within the term of the Agreement.

Table B-1 Project Deliverables and Schedule		
Task	**Deliverable**	**Timeline (start to end date, or due date)**
Task 1 – Program Design and Set Up		
1.1 Kickoff and check-in meetings	Meeting agendas and meeting minutes	Within 5 days of contract execution
1.2 Provide compliance documentation	Compliance documentation, including for all subcontractors	90 days from contract execution
1.3 Finalize program design and strategy		60 days from contract execution
1.4 Develop Program Handbook	Program Handbook	90 days from contract execution
1.5 Develop and maintain Technical Design Guidelines	Technical Design Guidelines	90 days from contract execution
1.6 Develop Home Assessment Template	Home Assessment Template	90 days from contract execution
1.7 Develop Project Scope of Work Template	Project Scope of Work Template	90 days from contract execution
1.8 Develop Program Participation Agreement	Program Participation Agreement	90 days from contract execution
1.9 Enroll in State or Local Programs	Proof of enrollment in other incentive programs as directed by SVCE	90 days from contract execution
1.10 Set up Customer Relationship Management (CRM) System and Data Exchange	CRM system and data exchange method	90 days from contract execution
Task 2 – Administrative Reporting Tasks		
2.1 Develop and provide Program Process Reports	Program Process Report	Monthly by the 5th of the Month

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2.2 Develop and provide Monthly Expense Reports	Monthly Expense Report Template and Ongoing Monthly Expense Reports	Monthly by 5th of the Month
2.3 Manage Prevailing Wage compliance and documentation	Ongoing Prevailing Wage Compliance Reports	Once upon receipt of the first invoice from the subcontractor and then randomly once a year for each subcontractor
2.4 Develop Annual Program Report	Annual Program Report	Annually by January 31st
Task 3 – Marketing and Outreach		
3.1 Coordinate marketing and outreach activities		Ongoing upon contract execution
3.2 Develop Case Studies	2 to 4 case studies per year	Annually, as agreed upon between Parties
Task 4 – Direct Install Implementation		
4 – Direct Install Implementation	• Monthly Expense Reports • Project Scope of Work • Photos, Permits, and Final Inspection Report • Executed Program Participation Agreement • Project Installation Data	90 days from contract execution to end of Agreement term
Task 5 – Cost-share Turnkey Implementation		
5 – Cost-share Turnkey Implementation	• Monthly Expense Reports • Project Scope of Work • Photos, Permits, and Final Inspection Report • Executed Program Participation Agreement • Project Installation Data	120 days from contract execution to end of Agreement term
Task 6 – Emergency Water Heater Replacement Implementation Tasks		
6 – Emergency Water Heater Replacement Implementation	• Monthly Expense Reports • Project Scope of Work • Photos, Permits, and Final Inspection Report • Executed Program Participation Agreement • Project Installation Data	90 days from contract execution to end of Agreement term
Task 7 – New Program Measures, Technologies, and Methods		
Recommendations for new measures technologies or methods	Updated Program Handbook, Technical Design Guidelines, and Table C-3 of Exhibit "C"	90 days from contract execution to end of Agreement term

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Exhibit C
Compensation

In consideration of the services provided by Consultant described in Exhibit "A" Scope of Services and subject to the terms of the Agreement, Authority, shall pay Consultant based on the following fee schedule and terms:

The compensation to be paid to Consultant for all services described in Exhibit A "Scope of Work" shall not exceed a total of $14 million ($14,000,000) for the Term of the Agreement and as set forth in Table C-1 "Total Not-to-Exceed Compensation". Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority.

Table C-1 "Total Not-to-Exceed Compensation" illustrates not-to-exceed (NTE) amounts for each budget category and invoicing and payment terms. Peninsula Clean Energy Authority (PCE) may implement the services described in Exhibit A and execute its own agreement with Consultant. In the event that PCE executes an agreement with Consultant for the services described in Exhibit A within three months of this Agreement's Effective Date, the "SVCE-PCE Joint Program NTE" amounts shall apply. In the event no agreement is executed within three months of this Agreement or PCE terminates its agreement, the "SVCE Only Program NTE" shall apply. Consultant is responsible for tracking expenditures and ensuring neither the not-to-exceed amounts per budget category, nor the total not-to-exceed total compensation of this Agreement are exceeded. Authority may approve in writing the transfer of funds between budget categories listed in Table C-1 provided the total compensation for Work do not exceed $14 million ($14,000,000) for the Term of the Agreement, as set forth in Section 3 of this Agreement Consultant agrees to complete all Work within the amounts set forth in Section 3.

Authority will compensate Consultant based on the rates as set forth in Table C-2 "Consultant Hourly and Assessment Rates" and Table C-3 "Eligible Measure Compensation" up to the NTE amounts listed in Table C-1 "Total Not-to-Exceed Compensation" Authority will compensate Consultant the fixed price (the Cost per Unit) per Eligible Measure installed by Consultant and approved by Authority, up to the NTE amounts listed in Table C-1. Table C-3 includes the following compensation to Consultant:

- The "Compensation for Eligible Measure" set forth in Table C-3 includes all of Consultant's costs to perform installation of Eligible Measures including, without limitation, Consultant's base equipment costs, material costs, labor costs, a standard one (1) year warranty on parts and labor, and all manufacturer warranties transferred to the customer. No additional fees or charges will be required of Authority or its customers for Consultant to install the Eligible Measures listed in this Agreement.
- The "Potential Compensation for 5-Year Extended Warranty" in Table C-3 describes compensation that participating Cost-share Turnkey Customers or Authority (on behalf of Direct Install Customers) may pay Consultant if Cost-share Turnkey customers or Authority (on behalf of Direct Install Customers) elect to purchase one. The terms and conditions of the "5-Year Extended Warranty" are included in this Agreement as Exhibit "F."
- The "Potential Compensation for Premium Equipment Upgrade" in Table C-3 describes compensation that Cost-Share Turnkey Customers may pay Consultant for equipment choices (e.g. color, brand, etc.) beyond the base equipment provided with Eligible Measures if they elect to purchase this option.

Consultant understands that Consultant's receipt of compensation for under this Agreement will depend on the number of customers who opt to participate in the Program by executing Program Participation Agreements, and Consultant's satisfactory completion of invoicing activities as described in Exhibit "A". Authority makes no guarantee, express or implied, regarding the number of customers who will participate in programs covered by this Agreement.

Consultant will subcontract with Vistar Energy Inc. to develop XeroHome™, a software platform, to perform Task 1 "Program Design and Set Up" as described in Exhibit A "Scope of Services". Table C-1 illustrates the NTE for the development of XeroHome. Authority will reimburse Consultant for the development of XeroHome as set forth in Exhibit E "XeroHome Scope of Work and Payment Terms".

The "Contingency NTE" in Table C-1 illustrates contingency funds which may be used for supplementing third-party rebates that do not materialize for the customer (e.g. rebate is rejected,

or third-party rebate funds depleted), addressing customer service concerns (e.g. equipment failures outside of warranty period, minor repairs, etc.), and other items as approved by the Authority. Consultant shall provide a written request to Authority describing the requested amount and reason for requesting contingency funds for Authority approval. If approved, Consultant shall track the expenditure by categorical reason and update the Monthly Expense Reports as applicable. In no event shall Consultant have any access to or use any contingency funds without the explicit written approval of Authority. Approval of contingency funds for a one-time use does not guarantee approval for a similar use in the future. Use of contingency funds is at Authority's sole and absolute discretion.

Invoices

Monthly Invoicing: In order to request payment, Consultant shall submit monthly invoices to the Authority describing the services performed and the applicable charges as described in Table C-1 and as set forth in the Monthly Expense Reports (Task 2.2). For tasks that are billed as "time and materials", Consultant shall include a summary of the work performed during that period, personnel who performed the services, hours worked, task(s) for which work was performed. Authority shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt up to the maximum compensation set forth herein, provided the Authority must provide notice of any dispute within thirty (30) days of invoice receipt. Authority does not pay interest on past due amounts.

Reimbursable Expenses

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

Additional Services

Consultant shall provide additional services outside of the services identified in Exhibit A only by advance written authorization from Authority Representative prior to commencement of any additional services. Consultant shall submit, at the Authority Representative's request, a detailed written proposal including a description of the scope of additional services, schedule, and proposed maximum compensation. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

Cost-share Turnkey Customer Cost Allocation

Cost-share Turnkey customers will pay Consultant a "Cost-share Payment", which is based on the fixed Compensation per Eligible Measure listed in Table C-3 after applicable incentives are applied. Cost-share Turnkey customers will pay Consultant the costs of "5-Year Extended Warranty" and "Premium Equipment Upgrade" for Eligible Measures listed in Table C-3 if they elect to purchase these.

Authority bears no responsibility for any of Consultant's cost and/or compensation to Consultant associated with Customer Cost-share Payments, 5-Year Extended Warranty, or Premium Equipment Upgrade for any Cost-share Turnkey customers. All such compensation will remain the sole responsibility of Cost-share Turnkey customers who may elect to participate in the Program.

All Cost-share Turnkey Customer Cost-share Payment amounts, 5-Year Extended Warranty compensation, and Premium Equipment Upgrade compensation, if applicable, will be included and clearly disclosed in each customer's Project Scope of Work and Program Participation Agreement.

Updates to Table C-3 Eligible Measures Compensation

Thirty days before the start of each calendar year, Consultant will provide Authority proposed compensation for Eligible Measures listed in Table C-3 for the subsequent year, including the percent change in compensation for each Eligible Measures from the previous year, if any. In the event that the proposed compensation adjustment exceeds the Eligible Measure Compensation by more than 5% from the previous year, Consultant shall provide a detailed breakdown of costs including all relevant supporting documentation such as prevailing wage labor costs and material costs and must receive Authority approval in writing. Upon receipt of this documentation, Authority shall review the provided information within 10 business days. Authority may, at its discretion, approve or deny the proposed Eligible Measure Compensation exceeding 5% from the previous year. If Authority approves the higher cost, Consultant shall

incorporate the updates into Table C-3 as an executed amendment to this Agreement. If Authority denies the higher cost, the existing Eligible Measure Compensation will remain in effect until both parties mutually agree.

Authority and Consultant may propose new Eligible Measures throughout the Term of this Agreement. New Eligible Measures and their compensation shall be incorporated into the Program Handbook (Task 1.4), Technical Design Guidelines (Task 1.5), and Table C-3. In the event that the addition of new Eligible Measures require additional scope or budget, this shall be formalized in a mutually negotiated and executed amendment to this Agreement.

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Table C-1 – Total Not-to-Exceed (NTE) Compensation									
	SVCE-PCE Joint Program NTE				SVCE Only Program NTE				Invoicing and Payment Terms
Budget Category	**Year 1 NTE**	**Year 2 NTE**	**Year 3 NTE**	**Total NTE**	**Year 1 NTE**	**Year 2 NTE**	**Year 3 NTE**	**Total NTE**	
Customer Estimates									
Number of Direct Install Customers	50	100	100	250	50	100	100	250	N/A
Number of Cost-share Turnkey Customers	50	150	150	350	50	150	150	350	N/A
Number of Emergency Water Heater Customers	130	260	260	650	130	260	260	650	N/A
Program Implementation									
Program Design and Set Up (Task 1)	$147,395	$0	$0	$147,395	$240,554	$0	$0	$240,554	Monthly - invoiced based on time & hourly rates in Table C-2
XeroHome (Task 1)	$267,140	$112,536	$112,536	$492,212	$389,904	$134,376	$134,376	$658,676	Invoiced based on payment terms in Exhibit "E"
Admin Reporting (Task 2)	$22,636	$31,115	$31,815	$85,566	$33,704	$46,329	$47,372	$127,404	Monthly - invoiced based on time & hourly rates in Table C-2
Marketing & Outreach (Task 3)	$34,489	$47,407	$48,473	$130,369	$65,161	$89,569	$91,584	$246,314	Monthly - invoiced based on time & hourly rates in Table C-2
Direct Install Implementation (Task 4)	$105,669	$145,249	$148,513	$399,436	$207,218	$284,836	$291,245	$783,298	Monthly - invoiced based on time & hourly rates and assessment rates in Table C-2
Cost-share Turnkey Implementation (Task 5)	$205,609	$282,624	$288,983	$777,216	$313,024	$430,273	$439,954	$1,183,251	Monthly - invoiced based on time & hourly rates and assessment rates in Table C-2

Table C-1 – Total Not-to-Exceed (NTE) Compensation									
	SVCE-PCE Joint Program NTE				**SVCE Only Program NTE**				**Invoicing and Payment Terms**
Budget Category	**Year 1 NTE**	**Year 2 NTE**	**Year 3 NTE**	**Total NTE**	**Year 1 NTE**	**Year 2 NTE**	**Year 3 NTE**	**Total NTE**	
Emergency Water Heater Replacement Implementation (Task 6)	$169,393	$232,843	$238,082	$640,318	$143,240	$196,894	$201,324	$541,459	Monthly - invoiced based on time & hourly rates and assessment rates in Table C-2
Subtotal NTE - Program Implementation	***$952,331***	***$851,774***	***$868,407***	***$2,672,512***	***$1,392,805***	***$1,182,276***	***$1,205,854***	***$3,780,935***	N/A
Customer Incentives									
Direct Install Customers	$1,100,000	$2,200,000	$2,200,000	$5,500,000	$1,100,000	$2,200,000	$2,200,000	$5,500,000	Monthly – invoiced based on number of installed and approved Eligible Measures in Table C-3, as invoiced by Subconsultants
Cost-share Turnkey Customers	$400,000	$1,200,000	$1,200,000	$2,800,000	$400,000	$1,200,000	$1,200,000	$2,800,000	Monthly – invoiced based on number of installed and approved Eligible Measures in Table C-3, as invoiced by Subconsultants
Emergency Water Heater Replacement Customers	$400,400	$800,000	$800,000	$2,000,400	$373,295	$772,885	$772,885	$1,919,065	Monthly – invoiced based on number of installed and approved Eligible Measures in Table C-3, as invoiced by Subconsultants
Subtotal NTE – Customer Incentives	***$1,900,400***	***$4,200,000***	***$4,200,000***	***$10,300,400***	***$1873,295***	***$4,172,885***	***$4,172,885***	***$10,219,065***	N/A
Contingency NTE	***$342,362***	***$342,362***	***$342,363***	***$1,027,088***	***$0***	***$0***	***$0***	***$0***	N/A
Total Annual NTE	**$3,195,098**	**$5,394,136**	**$5,410,769**	**$14,000,00**	**$3,266,100**	**$5,355,161**	**$5,378,739**	**$14,000,000**	N/A

Table C-2 Consultant Hourly and Assessment Rates				
Position	**2024 Rate**	**2025 Rate**	**2026 Rate**	**2027 Rate**
Regional Director	$195.75	$201.50	$207.50	$213.75
Product Manager	$173.00	$178.25	$183.50	$189.00
Program Manager	$162.25	$167.00	$172.00	$177.25
Operations Project Manager	$173.00	$178.25	$183.50	$189.00
Project Manager	$159.75	$164.50	$169.50	$174.50
Senior Software Engineer	$144.25	$148.50	$153.00	$157.50
Data Analyst	$134.00	$138.00	$142.25	$146.50
Database Specialist	$123.50	$127.25	$131.00	$135.00
Marketing Manager	$123.50	$127.25	$131.00	$135.00
Marketing Specialist	$97.25	$100.25	$103.25	$106.25
Engineer I	$109.75	$113.00	$116.50	$120.00
Engineer II	$129.75	$133.75	$137.75	$142.00
Principal Engineer	$164.75	$169.75	$174.75	$180.00
Energy Advisor I	$97.25	$100.25	$103.25	$106.25
Energy Advisor II	$108.25	$111.50	$114.75	$118.25
Energy Advisor III	$123.50	$127.25	$131.00	$135.00
Customer Care Manager	$118.50	$122.00	$125.75	$129.50
Central Ops Supervisor	$102.00	$105.00	$108.25	$111.50
CSR II	$86.50	$89.00	$91.75	$94.50
Project Coordinator	$84.50	$87.00	$89.50	$92.25
Assessments				
Franklin Home Assessment per assessment	$232.50	$244.00	$256.00	$269.00
A converted canvassing lead	$225.00	$236.00	$248.00	$260.00

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Base Electrification Measures				
Heat pump water heater (80 gallon, 240V)	$7,050.00	Per Unit	$675.00	N/A
Heat pump water heater (65 gallon, 240V)	$6,350.00	Per Unit	$675.00	N/A
Heat pump water heater (50 gallon, 240V)	$5,850.00	Per Unit	$675.00	N/A
Heat pump water heater (80 gallon, 120V)	$7,050.00	Per Unit	$675.00	N/A
Heat pump water heater (65 gallon, 120V)	$6,350.00	Per Unit	$675.00	N/A
Emergency loaner cost	$400.00	Per Unit	N/A	N/A
Heat pump HVAC, (ducted, inverter-driven) 2 Ton	$10,900.00	Per Unit	$750.00	$2,000.00
Heat pump HVAC, (ducted, inverter-driven) 3 Ton	$12,300.00	Per Unit	$750.00	$2,250.00
Heat pump HVAC, (ducted, inverter-driven) 4 Ton	$14,200.00	Per Unit	$750.00	$2,500.00
Heat pump HVAC, (ducted, inverter-driven) 5 Ton	$17,300.00	Per Unit	$750.00	$2,750.00
Heat pump mini-split system (Ductless, inverter-driven,) one zone	$5,750.00	Per Unit	$400.00	$2,000.00
Heat pump mini-split system (Ductless, inverter-driven,) two zone	$9,800.00	Per Unit	$500.00	$2,250.00

[7] Compensation to Consultant for 5-Year Warranty is not guaranteed because it is solely dependent on Authority's or participating customer's voluntary decision on whether to purchase a 5-Year Warranty, the terms and conditions for which are included in Exhibit "E" of this Agreement and will be included in the Program Participation Agreement if applicable.

[8] Compensation to Consultant for Premium Equipment Upgrade is not guaranteed because it is solely dependent on participating customer's voluntary decision on whether to purchase the premium upgrade.

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Heat pump mini-split system (Ductless, inverter-driven,) three zone	$13,400.00	Per Unit	$600.00	$2,500.00
Heat pump mini-split system (Ductless, inverter-driven,) four zone	$18,435.00	Per Unit	$700.00	$2,750.00
Electric induction range	$2,450.00	Per Unit	$500.00	$1,000.00
Electric induction cooktop	$3,050.00	Per Unit	$400.00	$1,000.00
High efficiency electric clothes dryer	$2,000.00	Per Unit	$500.00	$1,000.00
Condensing combo washer-dryer	$1,000.00	Per Unit	$500.00	$1,000.00
Electrical Services Measures				
Electric panel replacement - *Minor**	$4,850.00	Per Unit	N/A	N/A
Electric panel replacement - *Moderate**	$6,850.00	Per Unit	N/A	N/A
Electric panel replacement -*Major**	$9,450.00	Per Unit	N/A	N/A
Service upgrade	$800.00	Per Unit	N/A	N/A
Sub-panel replacement / installation	$1,600.00	Per Unit	N/A	N/A
Electrical Repair Minor	$800.00	Per Unit	N/A	N/A
Electrical Repair Moderate	$1,600.00	Per Unit	N/A	N/A
Electrical Repair Major	$2,400.00	Per Unit	N/A	N/A
Add 230 Volt Circuit (Homerun) Minor	$1,200.00	Per Unit	N/A	N/A

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Add 230 Volt Circuit (Homerun) Moderate	$1,600.00	Per Unit	N/A	N/A
Add 230 Volt Circuit (Homerun) Major	$2,000.00	Per Unit	N/A	N/A
Add 120 Volt Circuit (Homerun) Minor	$800.00	Per Unit	N/A	N/A
Add 120 Volt Circuit (Homerun) Moderate	$1,200.00	Per Unit	N/A	N/A
Add 120 Volt Circuit (Homerun) Major	$1,600.00	Per Unit	N/A	N/A
Rare Breaker Adder Minor	$50.00	Per Unit	N/A	N/A
Rare Breaker Adder Moderate	$75.00	Per Unit	N/A	N/A
Rare Breaker Adder Major	$100.00	Per Unit	N/A	N/A
Circuit sharing device	$3,000.00	Per Unit	N/A	N/A
Circuit sharing device only (NTE)	$1,020.00	Per Unit	N/A	N/A
Circuit throttling/pausing device	$3,300.00	Per Unit	N/A	N/A
Circuit throttling/pausing device only (NTE)	$1,122.00	Per Unit	N/A	N/A
Smart panel	$9,050.00	Per Unit	N/A	N/A
Tandem breaker	$200.00	Per Unit	N/A	N/A
Efficiency Measures				
Attic Insulation Final R 38-44	$2.50	Per Sq Ft	N/A	N/A
Subfloor or Platform Duct Sealing & Return Sizing Corrections	$1,500.00	Per Home	N/A	N/A

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Deeply Buried Ducts	$3.60	Per Sq Ft	N/A	N/A
High Performance Installation Verification (HPIV)	$900.00	Per System	N/A	N/A
HPIV Additional System	$300.00	Per System	N/A	N/A
Health and Safety Measures				
CO Detector 10 year	$50.00	Per Home	N/A	N/A
Smoke Detector Minor	$50.00	Per Home	N/A	N/A
Smoke Detector Hardwire Minor	$150.00	Per Home	N/A	N/A
Smoke Detector Hardwire Moderate	$250.00	Per Home	N/A	N/A
Smoke Detector Hardwire Major	$400.00	Per Home	N/A	N/A
ERV Minor	$2,000.00	Per Home	N/A	N/A
ERV Moderate	$2,850.00	Per Home	N/A	N/A
ERV Major	$3,600.00	Per Home	N/A	N/A
Add 2" Filter HVAC Minor	$40.00	Per Home	N/A	N/A
Add 2" Filter HVAC Moderate	$80.00	Per Home	N/A	N/A
Add 2" Filter HVAC Major	$120.00	Per Home	N/A	N/A
Add 2" Filter BOX Minor	$300.00	Per Home	N/A	N/A
Add 2" Filter BOX Moderate	$500.00	Per Home	N/A	N/A

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Add 2" Filter BOX Major	$750.00	Per Home	N/A	N/A
Fix Water Leak (exterior cladding) Minor	$600.00	Per Home	N/A	N/A
Fix Water Leak (exterior cladding) Moderate	$1,000.00	Per Home	N/A	N/A
Fix Water Leak (exterior cladding) Major	$1,500.00	Per Home	N/A	N/A
Fix Water Leak (interior plumbing) Minor	$250.00	Per Home	N/A	N/A
Fix Water Leak (interior plumbing) Moderate	$600.00	Per Home	N/A	N/A
Fix Water Leak (interior plumbing) Major	$1,000.00	Per Home	N/A	N/A
Fix Drainage Gutters & Downspouts Minor	$500.00	Per Home	N/A	N/A
Fix Drainage Gutters & Downspouts Moderate	$1,000.00	Per Home	N/A	N/A
Fix Drainage Gutters & Downspouts Major	$1,500.00	Per Home	N/A	N/A
Pest Infestation Remediation Minor	$500.00	Per Home	N/A	N/A
Pest Infestation Remediation Moderate	$1,500.00	Per Home	N/A	N/A
Pest Infestation Remediation Major	$3,000.00	Per Home	N/A	N/A
Asbestos Abatement Minor	$4,000.00	Per Home	N/A	N/A
Asbestos Abatement Moderate	$8,000.00	Per Home	N/A	N/A
Asbestos Abatement Major	$12,000.00	Per Home	N/A	N/A
Mold Remediation Minor	$500.00	Per Home	N/A	N/A

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Mold Remediation Moderate	$1,500.00	Per Home	N/A	N/A
Mold Remediation Major	$3,000.00	Per Home	N/A	N/A
Remove Knob and Tube wiring	$350	Per Junction	N/A	N/A
Debris Removal Minor	$400.00	Per Home	N/A	N/A
Debris Removal Moderate	$800.00	Per Home	N/A	N/A
Debris Removal Major	$1,500.00	Per Home	N/A	N/A
Moving Person Items Minor	$400.00	Per Home	N/A	N/A
Moving Person Items Moderate	$800.00	Per Home	N/A	N/A
Moving Person Items Major	$1,200.00	Per Home	N/A	N/A
Structural Remediation Measures				
Roofing Repair Minor	$800.00	Per Home	N/A	N/A
Roofing Repair Moderate	$2,000.00	Per Home	N/A	N/A
Roofing Repair Major	$4,000.00	Per Home	N/A	N/A
Exterior Door Replacement Minor	$1,500.00	Per Home	N/A	N/A
Exterior Door Replacement Moderate	$2,500.00	Per Home	N/A	N/A
Exterior Door Replacement Major	$3,000.00	Per Home	N/A	N/A
Whole House Weather Stripping Minor	$500.00	Per Home	N/A	N/A

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Whole House Weather Stripping Moderate	$750.00	Per Home	N/A	N/A
Whole House Weather Stripping Major	$1,000.00	Per Home	N/A	N/A
Window Replacement Minor	$1,250.00	Per Home	N/A	N/A
Window Replacement Moderate	$1,600.00	Per Home	N/A	N/A
Window Replacement Major	$2,000.00	Per Home	N/A	N/A
Drywall Repair Minor	$400.00	Per Home	N/A	N/A
Drywall Repair Moderate	$800.00	Per Home	N/A	N/A
Drywall Repair Major	$1,200.00	Per Home	N/A	N/A
Plaster Repair Minor	$600.00	Per Home	N/A	N/A
Plaster Repair Moderate	$1,200.00	Per Home	N/A	N/A
Plaster Repair Major	$1,800.00	Per Home	N/A	N/A
Air Quality Remediation Measures				
Media Filter Upgrade Minor	$150.00	Per Home	N/A	N/A
Media Filter Upgrade Moderate	$200.00	Per Home	N/A	N/A
Media Filter Upgrade Major	$300.00	Per Home	N/A	N/A
Kitchen Vent Hood Replace Minor	$200.00	Per Home	N/A	N/A
Kitchen Vent Hood Replace Moderate	$300.00	Per Home	N/A	N/A

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Kitchen Vent Hood Replace Major	$400.00	Per Home	N/A	N/A
Kitchen Vent Hood New Minor	$600.00	Per Home	N/A	N/A
Kitchen Vent Hood New Moderate	$800.00	Per Home	N/A	N/A
Kitchen Vent Hood New Major	$1,000.00	Per Home	N/A	N/A
Bathroom Fan Replacement Minor	$400.00	Per Home	N/A	N/A
Bathroom Fan Replacement Moderate	$600.00	Per Home	N/A	N/A
Bathroom Fan Replacement Major	$800.00	Per Home	N/A	N/A
Bathroom Fan New / Nonexisting Minor	$700.00	Per Home	N/A	N/A
Bathroom Fan New / Nonexisting Moderate	$900.00	Per Home	N/A	N/A
Bathroom Fan New / Nonexisting Major	$1,100.00	Per Home	N/A	N/A
Exterior Vent Installation Minor	$700.00	Per Home	N/A	N/A
Exterior Vent Installation Moderate	$900.00	Per Home	N/A	N/A
Exterior Vent Installation Major	$1,100.00	Per Home	N/A	N/A
HVAC Optimization Measures				
Ductwork Repair Minor	$300.00	Per Home	N/A	N/A
Ductwork Repair Moderate	$600.00	Per Home	N/A	N/A
Ductwork Repair Major	$900.00	Per Home	N/A	N/A

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Ductwork Replacement	$500.00	Per Home	N/A	N/A
Smart Thermostat Minor	$105.00	Per Unit	N/A	N/A
Smart Thermostat Moderate	$225.00	Per Unit	N/A	N/A
Smart Thermostat Major	$342.00	Per Unit	N/A	N/A
New / Replacement Line Set Minor	$400.00	Per Home	N/A	N/A
New / Replacement Line Set Moderate	$650.00	Per Home	N/A	N/A
New / Replacement Line Set Major	$900.00	Per Home	N/A	N/A
Sheet Metal Fabrication Minor	$400.00	Per Home	N/A	N/A
Sheet Metal Fabrication Moderate	$650.00	Per Home	N/A	N/A
Sheet Metal Fabrication Major	$900.00	Per Home	N/A	N/A
Low Resistance Register Grilles Minor	$400.00	Per Home	N/A	N/A
Low Resistance Register Grilles Moderate	$650.00	Per Home	N/A	N/A
Low Resistance Register Grilles Major	$900.00	Per Home	N/A	N/A
New Register Cut In (per each)	$275.00	Per Home	N/A	N/A
Attic Infrastructure (bringing up to code) Minor	$900.00	Per Home	N/A	N/A
Attic Infrastructure (bringing up to code) Moderate	$1,600.00	Per Home	N/A	N/A
Attic Infrastructure (bringing up to code) Major	$2,800.00	Per Home	N/A	N/A

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
Attic Hatch Retrofit Minor	$450.00	Per Home	N/A	N/A
Attic Hatch Retrofit Moderate	$600.00	Per Home	N/A	N/A
Attic Hatch Retrofit Major	$750.00	Per Home	N/A	N/A
Heat Pump Water Heater Optimization Measures				
Water Heater Duct In Minor	$600.00	Per Home	N/A	N/A
Water Heater Duct In Moderate	$750.00	Per Home	N/A	N/A
Water Heater Duct In Major	$900.00	Per Home	N/A	N/A
Water Heater Enclosure Minor	$400.00	Per Home	N/A	N/A
Water Heater Enclosure Moderate	$500.00	Per Home	N/A	N/A
Water Heater Enclosure Major	$600.00	Per Home	N/A	N/A
Water Heater Relocation Minor	$900.00	Per Home	N/A	N/A
Water Heater Relocation Moderate	$1,600.00	Per Home	N/A	N/A
Water Heater Relocation Major	$2,800.00	Per Home	N/A	N/A
Permitting Fees (w/ HERS verification included)				
1st Unit	$750.00	Per Home	N/A	N/A
Additional Unit(s)	$300.00	Per Home	N/A	N/A
Market Rate Contractor Site Visit Consultation				

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Table C-3 Eligible Measures Compensation				
Eligible Measure	**Compensation for Installed Measure**	**Unit of Measure**	**Potential Compensation for 5-Year Warranty[7]**	**Potential Compensation for Premium Equipment Upgrade[8]**
Prices in this table are specific to San Mateo and Santa Clara Counties and Los Banos				
2-hour Virtual	$247.000	Per Home	N/A	N/A
4-hour On-Site	$494.00	Per Home	N/A	N/A
8-hour On-Site	$988.00	Per Home	N/A	N/A

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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 $3,000,000 per occurrence and $5,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required. Such general liability coverage requirements may be fulfilled by Consultant's primary and/or umbrella or excess liability policies.

(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 hacking or unauthorized breaches, crisis management activity related to data breaches, and legal claims for security breach, privacy violations, and notification costs of at least $5,000,000 US per occurrence.

Exhibit E
XeroHome Scope of Work and Payment Terms

XEROHOME SCOPE OF WORK

Vistar Energy Inc. (hereon referred to as 'Subcontractor') proposes to perform the work described in this section ('Scope of Work') for Franklin Energy (hereon referred to as 'Consultant') who is performing work under contract for Silicon Valley Clean Energy Authority (hereon referred to as 'SVCE' or 'Authority).

The work is to provide the Consultant's Team access to XeroHome's energy analysis of individual existing single-family homes in SVCE's service territory[1] (hereon referred to as 'Analysis Region'). The Analysis Region includes approximately 154k single-family homes. The analysis will be designed and presented to Consultant to aid in their outreach and canvasing of homes for program participation, and to show utility bill impacts of specific electrification and energy efficiency upgrades for individual homes. Based on this, Consultant's team will be able to identify energy efficiency and electrification upgrades for individual homes that will lower the home's utility bills and quantify those savings.

About XeroHome™

XeroHome™ is a software platform developed by Subcontractor, that can build individual home energy models at the unprecedented scale of entire cities or regions, and provide personalized upgrade recommendations, based on each home's unique conditions. Unique to XeroHome™ is its ability to use publicly available data, such as home size, year of construction, building permits, and GIS data, to build a custom (EnergyPlus™) energy simulation model for a home. It then runs multiple iterations of the energy model, to provide recommendations on which energy upgrades are most suited to a home based on utility bill impacts and/or cost-effectiveness. XeroHome's proprietary analysis method significantly speeds up complex building energy simulation calculations using advanced data analytics to provide recommendations for a home in seconds.

Built within the tool is the unique ability to improve the accuracy of each home's simulation model, by adding home energy audit information, which makes the recommendations more reliable. This progression of improvement in accuracy is represented as badges associated with each home's analysis. An energy model built using data accessible prior to an on-site assessment is referred to as a 'White Badge Model' and the analysis from this model is referred to as 'White Badge Analysis'. When data is collected on-site (such as after an energy assessment), inputs to the energy model are refined based on this data, and the resulting model

[1] This includes the following cities in Santa Clara County: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale, and Unincorporated Santa Clara County

is referred to as a ‘Green Badge Model’ and the analysis from this model is referred to as ‘Green Badge Analysis’.

XeroHome Insights Package™ Dashboard

Analysis from XeroHome’s energy models is provided over a web-based interactive dashboard called the XeroHome Insights Package™ Dashboard (hereon referred to as ‘Dashboard’).

The Dashboard will be accessible to the Consultant and Authority through most modern web-browsers over desktop and laptop computers. Using the Dashboard, Contractor shall be able to evaluate individual homes in the analysis region for utility bill impacts of energy efficiency and electrification upgrade packages.

- The Consultant shall be able to visualize data from XeroHome’s White Badge Analysis of existing single-family homes in the analysis region via the Dashboard. The data will be visualized over a map of the analysis region along with charts, and data tables.
- The Dashboard shall have interactive features that will allow its users to review region-level aggregate data, as well as home-level details of individual homes. On a region-level, users will be able to apply filters to identify specific groups of homes for targeted outreach and canvassing. On a home-level, users will be able to review parameters that make up an individual home’s energy model, and the results of energy analysis such as utility bill impacts for various energy upgrades.
- The Dashboard shall allow users to integrate data collected from on-site assessments (via Consultant’s digital data collection tool – Clipboard). The resulting update to XeroHome’s energy models from White to Green Badge and change in analysis shall be reflected on the data displayed on the Dashboard.
- The Dashboard shall provide the ability to create a custom package of upgrades for individual homes by selecting individual energy upgrades. The Consultant shall be able to review the combined impact of selected measures on the home’s baseline calculation of utility bill and carbon emissions. Consultant shall use the findings from the Dashboard to inform the home’s proposed scope of work. Consultant shall have the ability to export the Dashboard’s findings in a format best suited for their workflow.

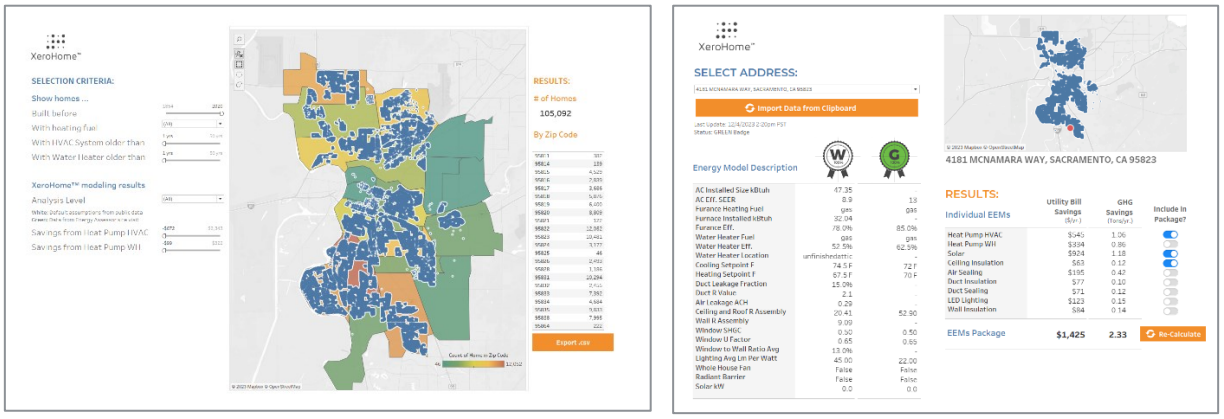


Figure 1: Example screens of XeroHome Insights Package™ Dashboard for an analysis region.

1.1 Task 1: Project Initiation and Reporting

The Subcontractor shall conduct a Project Initiation meeting with Consultant and Authority to confirm project tasks, requirements, and the timetable for deliverables. The project initiation meeting may also include other stakeholders such as city representatives, and community stakeholders as identified by the Authority. The Subcontractor shall report on the progress of various tasks (monthly or on a frequency suggested by the Consultant) to keep them informed on accomplishments, outstanding issues, and next steps.

Task 1 Deliverable(s)

- Project initiation meeting notes
- Progress updates to Consultant

Task 1 Time Frame

- Project Initiation Meeting to be held within 2 weeks of SVCE and Consultant Agreement signing.

1.2 Task 2: XeroHome Insights Package™ - Dashboard

This task consists of four distinct activities marked by four milestones where the Subcontractor shall provide deliverables as noted below.

Milestone 1 (M1): Data Acquisition

The Subcontractor shall work with various data vendors and access publicly available data sources to acquire data needed for energy modeling and analysis of homes in the Analysis Region. These datasets are noted below:

- Property tax assessment data
- Building permits data
- GIS shape files for home geometry
- TMY and AMY weather files
- Utility rate information

Task 2 – M1 Deliverable(s):

- Complete acquisition of datasets listed above.
- Merge datasets into single database including each residential customer.

Task 2 – M1 Time Frame

- Within 2 months of Project Initiation.

Milestone 2 (M2): 50% Energy Model Development and Dashboard Access

The Subcontractor shall use the XeroHome™ software platform to develop energy models (White Badge Models) for 50% of all existing single-family homes in the Analysis Region.

Subcontractor shall provide Consultant and SVCE access to these models over the XeroHome Insights Package™ Dashboard for the purpose of evaluating the Dashboard's functionality and iterate on identifying needed Dashboard customizations (see Task 3).

Task 2 – M2 Deliverable(s):

- Access to energy models for 50% of homes in Analysis Territory over the XeroHome Insights Package™ Dashboard.

Task 2 – M2 Time Frame:

- Within 3 months of Project Initiation.

Milestone 3: 100% Energy Model Development and Dashboard Access

The Subcontractor shall complete development of the energy models for 100% of existing single-family homes in the Analysis Region (White Badge Models) and provide Consultant access to these models over the XeroHome Insights Package™ Dashboard.

Task 2 – M3 Deliverable(s):

- Access to energy models for 100% of homes in Analysis Territory over the XeroHome Insights Package™ Dashboard.

Task 2 – M3 Time Frame:

- Within 4 months of Project Initiation.

Milestone 4: Data load, API integration and Dashboard Release

The Subcontractor shall perform a portfolio-scale comparison of modeled energy use to historic electricity use and gas use data use of homes from SVCE. If SVCE cannot provide historical electricity or gas data for a particular home, NREL's ResStock modeling of residential buildings for SVCE's region can be utilized. Based on findings, Subcontractor may update the XeroHome energy models by adjusting their modeling assumptions to improve their modeling accuracy. The Subcontractor shall provide Consultant and SVCE access to the updated models over the XeroHome Insights Package™ Dashboard.

Subcontractor shall work with Consultant to identify data points for on-site data collection, and on API integration of Consultant's digital data collection tool (Clipboard) into XeroHome™.

The Subcontractor shall perform a User Acceptance Testing (UAT) as part of the release process of the Dashboard with the Consultant's and SVCE's users to ensure usability and feature completion. Feature issues shall be identified, and Subcontractor shall work with the Consultant and SVCE to prioritize fixes to those issues to ensure smooth release of the dashboard.

The Subcontractor shall provide a maximum of 20 user accounts to individuals in the Consultant and Authority's teams to access the dashboard. Each account shall be password protected and uniquely assigned to individual users. The accounts shall be transferable to other individuals upon request. Access to the Dashboard for an account will be limited to the service territory identified with the Consultant and the Authority. The Subcontractor shall work with Authority to facilitate exporting data from the Dashboard in a .csv file format.

Task 2 – M4 Deliverable(s):

- Presentation of portfolio-scale comparison of modeled energy use to energy use data.
- API Integration of XeroHome Insights Package™ Dashboard with Consultant's on-site data collection tool (Clipboard)
- Completion of User Acceptance Testing (UAT) for release of dashboard for use by Consultant.
- Release of XeroHome Insights Dashboard™ - up to 20 user accounts.
- CSV file outputs related to individual homes or groups of homes by SVCE staff.

Task 2 – M4 Time Frame:

- Within 5 months of Project Initiation.

1.3 Task 3: XeroHome Insights Package™ - Dashboard Customization

The Subcontractor shall work with Consultant and SVCE to identify customizations needed in the XeroHome Insights Package™ Dashboard to suit the needs of SVCE's Single-family Installation Program in a requirements document. Subcontractor shall perform the Dashboard customization which shall include but not be limited to

- Updating any additional data fields that need to be visualized.
- Refining data field mapping between XeroHome and the data collected by Contractor's team during site assessments.
- Changing how the data fields and the outputs from the analysis are visualized on the Dashboard for better integration with Contractor's workflow.

Task 3 Deliverables

- Requirements document outlining all requested customizations for Contractor and Authority approval.
- Release of XeroHome Insights Package™ Dashboard with customizations.

Task 3 Time Frame

- Requirements document: within 3 months of Project Initiation
- Customized dashboard: within 6 months of Project Initiation.

1.4 Task 4: XeroHome Insights Package™ - Subscription and Annual Updates

The Subcontractor shall provide continuous access to XeroHome™ analysis engine via the Dashboard outside of scheduled maintenance windows. This service will be available for the period of the project, starting with the release of Customized Dashboard to Consultant and SVCE (end of Task 3). The associated cost will be billed as a quarterly subscription fee.

The Subcontractor shall make quarterly updates to keep the White Badge analysis current with updates to building permits data and changes to rates and carbon emissions estimates information. The updates shall be tested and deployed by Subcontractor at the end of each quarter and will be automatically reflected on the live XeroHome Insights Package™ Dashboard.

Task 4 Deliverables

- Access to XeroHome™ Analysis Engine via the XeroHome Insights Package™ Dashboard.
- Quarterly updates to XeroHome Insights Package™ Dashboard

Task 4 Time Frame

- Every quarter after initial deployment – 6 months after Project Initiation till end of contract.

1.5 Task 5: XeroHome Insights Package™ - API Access

The Subcontractor shall maintain a secure API service connecting XeroHome Insights Package™ Dashboard with Contractor's on-site data collection tool, Clipboard to provide data transfer capability from site energy assessments.

Task 5 Deliverables

- Secure API service between XeroHome Insights Dashboard with Consultant's Clipboard tool.

Task 5 Time Frame

- Every month after initial deployment – 6 months after Project Initiation, till end of contract.

COMPENSATION

In consideration of the services provided by Vistar Energy Inc. (“Subcontractor”) described in Section 1 Scope of Work, Franklin Energy (“Consultant”) will pay Subcontractor based on the following fee schedule and terms:

The compensation to be paid to Subcontractor shall not exceed a total of $658,636 for the Term of the Single-family Installation Program Agreement between Consultant and Silicon Valley Clean Energy Authority (“Authority” or "SVCE") and as set forth in Table 1 below. Any new or additional tasks that are identified by the Authority or Consultant and which result in a change to the Subcontractor’s original scope of work outlined in Section 1, shall necessitate an amendment to this contract. The contract amendment will detail the new or additional tasks, any adjustments to the project timeline, and corresponding adjustments to compensation. The contract amendment shall be subject to written approval from the Authority, Consultant and Subcontractor.

Table 1 Total Not-to-Exceed Compensation illustrates not-to-exceed (NTE) amounts for each budget category and invoicing and payment terms. Peninsula Clean Energy Authority (PCE) may implement the similar services described in the Single-family Installation Program Agreement and execute its own agreement with Contractor. In the event that PCE executes an agreement with Contractor for the services described Single Family Installation Program Agreement, the “SVCE-PCE Joint Program NTE ($)” amounts shall apply. In the event no agreement is executed with PCE, the “SVCE Only Program NTE ($)” amounts shall apply. Consultant and Subcontractor are responsible for tracking expenditures and ensuring neither the not-to-exceed amounts per budget category, nor the total not-to-exceed total compensation of this Scope of Work are exceeded.

In the event that Single-family Installation Program Agreement between Consultant and Authority is terminated, this agreement with Subcontractor and Consultant shall also terminate. In such an event, the Subcontractor shall be compensated for the tasks already performed. Any subscription fees, API access fees, and quarterly update fees that are paid for in advance by SVCE will be refunded to SVCE at a prorated amount within 45 days of contract termination.

In the event that Single-family Installation Program Agreement between Contractor and Peninsula Clean Energy (PCE) is terminated, this agreement with Subcontractor and Consultant shall be subject to modification. Upon such termination, compensation for the Subcontractor under the “SVCE Only Program NTE ($)”, as detailed in Table 1, shall become applicable for all remaining tasks on the project.

In the event the resulting solution developed by XeroHome does not meet the needs of the Program, Consultant may, at its discretion replace it with an alternative solution that would better fit the program's needs. Thereafter, Subcontractor will have the option of remedying the solution in a reasonable timeframe or objectively demonstrating that the solution does meet the needs of the program. If Authority determines that the Subcontractors initial and/or revised solution does not meet the needs of the program, the Authority may then authorize Consultant to secure an alternative solution.

Staffing Direct Labor (Vistar Energy)	Hourly Rate	Estimated Hours (Task 3)
Principal/Chief Executive Officer	$ 250	8
Chief Technology Officer	$ 250	12
Director	$ 230	16
Engineer Level 2	$ 220	0
Engineer Level 1	$ 205	80
Administration Staff	$ 125	0

Table 2 – Hourly Rates and Hours Estimation

Table 1 – Total Not-to-Exceed Compensation									
	SVCE-PCE Joint Program NTE				SVCE Only Program NTE				Invoicing and Payment Terms
Tasks	Year 1 NTE	Year 2 NTE	Year 3 NTE	Total NTE	Year 1 NTE	Year 2 NTE	Year 3 NTE	Total NTE	
Task 1 - Project Initiation	$1,030	$0	$0	$1,030	$2,060	$0	$0	$2,060	Fixed fee paid upon Project Initiation meeting
Task 2 M1 - Data Acquisition	$53,244	$0	$0	$53,244	$76,063	$0	$0	$76,063	Fixed fee paid upon milestone completion and Authority approval
Task 2 M2 - Energy models development (50%)	$53,244	$0	$0	$53,244	$76,063	$0	$0	$76,063	Fixed fee paid upon milestone completion and Authority approval
Task 2 M3 - Energy models development (100%)	$53,244	$0	$0	$53,244	$76,063	$0	$0	$76,063	Fixed fee paid upon milestone completion and Authority approval
Task 2 M4 - Data load and API integration	$53,244	$0	$0	$53,244	$76,063	$0	$0	$76,063	Fixed fee paid upon milestone completion and Authority approval
Task 3 Customization	$25,000	$0	$0	$25,000	$50,000	$0	$0	$50,000	Optional upon SVCE request. Customization shall be quoted and must be approved in writing by SVCE. Invoiced as time and materials per Table 2.
Task 4 - Subscription to XeroHome™ Analysis Engine	$15,400	$61,600	$61,600	$138,600	$15,400	$61,600	$61,600	$138,600	Fixed quarterly fee of $15,400 paid every quarter after initial deployment of XeroHome™ Insights Package (Task 2)
Task 4 - Quarterly Updates	$5,066	$20,264	$20,264	$45,594	$7,238	$28,952	$28,952	$65,142	Fixed quarterly fee of $5,066 for SVCE-PCE Joint program or $7,238 for SVCE-Only program paid every quarter after initial deployment of XeroHome™ Insights Package (Task 2)
Task 5 - API Access	$7,668	$30,672	$30,672	$69,012	$10,954	$43,824	$43,824	$98,602	Fixed monthly fee of $2,556 for SVCE-PCE Joint Program or $3,652 for SVCE-only program paid every month after initial deployment of XeroHome™ Insights Package (Task 2)
TOTALS	**$267,140**	**$112,536**	**$112,536**	**$492,212**	**$389,904**	**$134,376**	**$134,376**	**$658,656**	

Exhibit F
5-Year Warranty

The "JB Warranties Premium Protection Plan: Service Contract" as inserted below illustrates sample terms and conditions for extended service and repair of Eligible Measures for a term of five years following equipment installation ("5-Year Warranty"). Within 90 days of contract execution, Consultant will provide Authority with updated terms and conditions for the 5-Year Warranty for all Eligible Measures which have a "Potential Compensation for 5-Year Warranty" as listed in "Exhibit C, Table C-3". Upon Authority approval, the updated terms and conditions of the 5-Year Warranty shall be formalized in an executed amendment to this Agreement. The 5-Year Warranty shall be provided to participating customers in the Program Participation Agreement, if applicable.

[Insert 5-Year Extended Warranty]

<<JBWTermsConditions2024.pdf>>

PREMIUM PROTECTION PLAN: SERVICE CONTRACT

This is Your Extended Service Contract. Please place this Contract in a safe place. You will need it in the event that service is required. This contract is fully insured as noted under the Coverage section.

Obligor: The Service Agreement Provider/Obligor under this Service Agreement is Dealers Alliance Corporation located at 240 N. Fifth Street, Suite 350, Columbus, OH, 43215. In Florida - the Obligor is Dealers Assurance Company located at 240 N. Fifth Street, Suite 350, Columbus, OH 43215, 800-282- 8913 (Florida License # 02977).

Administrator: The Service Agreement Administrator is: Fortress Extended Warranty Administration, LP, Located at 2221 Justin Road, Suite 119, PMB-153, Flower Mound, TX 75028, (833) 339-2366.

For claims or information about this Contract, call Your Dealer. When calling Your Dealer for service please refer to the Contract number listed above in the left corner of this contact.

Your Dealer is the service agent for this Contract. You should contact Your Dealer for questions, transfers, renewals and purchase of additional Contracts. Your Dealer provides service repairs for this Contract during Your Dealer's normal working hours.

Shipping, handling, and refrigerant disposal fees are not covered and are the responsibility of the owner. Proper maintenance is required by owner and proof of such may be requested to validate coverage.

TERMS AND CONDITIONS

1. **Service Agreement Provider (Obligor) Provider or Obligor:** The Service Agreement Provider/Obligor under this Service Agreement is Dealers Alliance Corporation located at 240 N. Fifth Street, Suite 350, Columbus, OH 43215. In Florida - the Obligor is Dealers Assurance Company located at 240 N. Fifth Street, Suite 350, Columbus, OH 43215 (Florida License # 02977).
2. **Definitions:** "We", "Us" and "Our" shall mean the obligor. In Florida "We", "Us" and "Our" shall mean Dealers Assurance Company "You" or "Your" shall mean the consumer or purchaser of the product(s) covered by this Service Agreement. "Service Agreement" ("Agreement") shall mean this document together with Your original purchase receipt. "Administrator" shall mean Fortress Extended Warranty Administration, LP Located at 2221 Justin Road, Suite 119, PMB-153, Flower Mound, TX 75028.

   For claims or information about this Agreement please call the Program Administrator (833) 339-2366.

   There is no deductible under this Service Agreement.
3. **WHAT IS COVERED:**

   In consideration of payment of the Service Agreement price, this Service Agreement provides for either the repair or replacement of the covered product(s) as described subject to the terms and conditions below. This Agreement does not cover repair or replacement of the product for any of the causes or provide coverage for any losses set forth in the section below entitled WHAT IS NOT COVERED. The covered product (or products) under this Service Agreement are set forth on page 1 of this Service Agreement. In the event of any conflict between this Section 3 and the description on page 1, the description on page 1 shall control.

   - **Repair Protection:** If Your product is eligible for repair protection this Agreement provides, at our discretion, for the repair or replacement of Your product to its standard operating condition provided the product, during normal usage, fails to perform its intended functions due to normal wear and tear; mechanical or electrical failure; or a defect in either materials or workmanship. Parts used to repair or replace the covered product may be new, used, refurbished or non-original manufacturer's parts that perform to factory specifications of the product;
   - **No Lemon Guarantee:** This Agreement provides that following the expiration of the manufacturer's warranty term and after three service repairs have been completed for the same problem, on an individual product that requires a fourth repair, as determined by Us, We reserve the right to replace the product with one of like kind and quality not to exceed the original purchase price of the product. This clause will be exercised at our sole discretion;
   - **GENERATOR(S):** All internally installed parts supplied by the manufacturer;
   - **CONDENSING UNIT(S):** All internally installed parts supplied by the manufacturer. Evaporator coils, condenser coils, and metering devices are covered against leaks as received from the manufacturer. The Agreement will not pay for changeover from CFC to non-CFC refrigerant or oil changes on commercial compressors;
   - **EVAPORATOR COIL:** A new evaporator coil is covered when sold as a part of a complete system;
   - **COMPRESSOR:** All internal functioning parts supplied by the manufacturer;
   - **ELECTRIC FURNACES AND AIR HANDLERS:** All internal functioning parts including heat modules and controls supplied by the manufacturer;
   - **GAS FURNACE:** All internal functioning parts supplied by the manufacturer;
   - **WATER HEATER:** All internal functioning parts supplied by the manufacturer. Excludes any repair due to calcium build-up;
   - **BOILER(S):** Coverage applies to internal parts as installed by the original manufacturer, additional external pumps excluded;
   - **HEAT PUMP:** Coverage applies to internal parts as installed by the original manufacturer, excludes exterior components (i.e. drain lines, disconnect breakers, external pumps) or any failure, leakage, or design problem associated with closed loop application or open discharge piping;

SAMPLE

PREMIUM PROTECTION PLAN: SERVICE CONTRACT

- **REFRIGERANT LEAKS:** Covers repair of the leak and replacement refrigerant charge as a result of leaks internal of the unit. Refrigerant is covered only when a leak has been permanently repaired and/or a compressor or coil replaced;

4. **MAINTENANCE REQUIREMENT:** You must maintain the equipment in accordance with the service requirements set forth by the manufacturer to keep Your Service Agreement in force. Evidence of proper service, when required by Administrator, must be submitted in the event of a claim. Failure to maintain the product in accordance with the manufacturers instructions may result in denial of coverage under this Agreement.
5. **CLAIM SUBMISSION:** Upon inspection and diagnosis, if it is determined that the failure is covered by this Agreement, the service agent should repair the failure and proceed per the program guidelines and submit the claim along with proper documentation. You must sign all service invoices upon completion of the repair.
6. **HOURS OF SERVICE:** Repair service and service calls will be made during normal working hours of the service dealer. We do not cover overtime rates.
7. **TERMS:** This Service Agreement shall commence upon the date of Agreement purchase. The product manufacturer has primary responsibility for replacement or repair of the covered product during the manufacturer's warranty period. Claims will not be accepted before the standard waiting period expires. See Service Agreement for "Coverage Start Date"
8. **LIMIT OF LIABILITY:** The total amount that We will pay for repairs made in connection with all claims that You make pursuant to this Service Agreement shall not exceed the purchase price of the product, less taxes or our limit of liability table [Attachment: Limit of Liability], whichever is less. In the event that We make payments for repairs, which in the aggregate, are equal to the product Purchase Price or We replace the product with a new, rebuilt or refurbished product of equal or similar features and functionality, We will have no further obligations under this Service Agreement. For more details on Limit of Liability, please visit https://jbwarranties.com/lol.
9. **TO OBTAIN SERVICE:** If the covered product requires service, call the service contractor noted on the front page of Your Service Agreement. You must provide the Agreement number and explain the problem. They will attempt to resolve the problem you are experiencing over the telephone. If the service agent cannot resolve the problem, they will schedule a service call with you. We reserve the right to inspect the product from time to time. Service will be provided during normal business hours and in the USA only.
10. **PURCHASER RECORDS:** You may be required to provide proof of purchase as a condition for receiving service under the Agreement. Your Original Purchase Receipt and this Agreement should be kept in a safe place.
11. **WHAT IS NOT COVERED:**

- Any equipment located outside the United States of America;
- Equipment sold without a manufacturer's warranty;
- Refurbished products;
- Repair or replacement necessitated by loss or damage resulting from any cause other than normal use and operation of the product in accordance with the manufacturer's specifications and owner's manual. This includes, but is not limited to, theft, operator negligence, misuse, abuse, improper electrical/power supply, spikes and surges, incorrect wiring, non-connected/loose wires, Field installed wiring, exposure to natural disasters (such as tornados, hurricanes, floods, earthquakes);
- Unauthorized repairs, repairs due to improper installation and/or improper application, leaks caused from non-factory welds;
- Cosmetic damage to case or cabinetry or other non-operating parts or components, including corrosion or oxidation;
- Lack of manufacturer specified maintenance, improper equipment modifications, vandalism, animal or insect infestation, rust, dust, corrosion, defective batteries, battery leakage, acts of nature, or any other peril originating from outside the product;
- Any and all pre-existing conditions that occur prior to the effective date of this Agreement;
- Service necessary because of improper storage, improper ventilation, reconfiguration of equipment, use or improper movement of the equipment, including the failure to place the equipment in an area that complies with the manufacturer's published space or environmental requirements;
- Any utilization of equipment that is inconsistent with either the design of the equipment or the way the manufacturer intended the equipment to be used;
- Failures of products caused by any installation that prevents normal service;
- Any and all cases in which the manufacturer of the equipment would not honor any warranty regarding the equipment;
- Failure to use reasonable means to protect Your product from further damage after a failure occurs;
- Product(s) with removed or altered serial number;
- Service recommended (for convenience) by a repair facility not necessitated by mechanical or electrical breakdown even when components are operating outside manufacturers specifications but still providing proper heating and cooling;
- Any repair that is a result of in-warranty parts not provided or shipped by the manufacturer; damage or equipment failure which is covered by manufacturer's warranty, manufacturer's recall, or factory bulletins (regardless of whether or not the manufacturer is doing business as an ongoing enterprise);
- Systems or component(s) that are covered by a manufacturer's warranty, insurance or another service contract;
- Consequential damages or delay in rendering service under this Agreement or loss of use during the period that the product is at the repair center or otherwise awaiting parts;

SAMPLE

PREMIUM PROTECTION PLAN: SERVICE CONTRACT

- Service required as a result of any alteration of the equipment or repairs made by anyone other than the authorized service provider, its agents, distributors, contractors or licensees or the use of supplies other than those recommended by the manufacturer;
- Charges related to "No problem found" diagnosis or preventative maintenance performed without mechanical breakdown or electrical failure. Non failure problems, including but not limited to; noises, squeaks, unbalanced fan blades, tightening of fittings, resetting switches, etc. Intermittent issues are not product failures;
- Standard Programmable and digital thermostats are covered with a complete split or package system if listed on the first page of this Contract. Additional coverage required for thermostats when OEM coverage is less than the term of the system agreement and when the thermostat cost is > $125 wholesale cost. Humidistats, Combination, Zone controllers, and variable speed motor (ECM) controllers for zone or humidity control are not covered with a system, and require additional separate agreement purchase;
- Services made mandatory by changes in Federal, State or Local regulations.
- Clogged drain line, electrodes, nozzles or gaskets, are considered maintenance and are not covered. Exterior disconnect box and high voltage wiring.
- Thermostat calibration and/or software updates, incorrect wiring and dead batteries.
- Appearance features, aesthetics, paint and cabinet parts, knobs and buttons, routine maintenance, periodic cleaning, and customer education;.
- Consequential damage caused by rust, oxidation corrosion, water, freezing, fire, lightning, general environmental conditions, insect or rodent infestation, vandalism, or other acts of Nature;
- Special tooling, blocks, tackle, dollies, and scaffolding.
- Filters, duct work, vents, external fuses, external line sets, belts, connectors, piping, high or low voltage lines external of the equipment;
- Premium service cost over normal service charges. Items located outside the installed unit's cabinet;
- Shipping, handling, and refrigerant disposal fees are not covered and are the responsibility of the owner;
- Failures due to incorrect refrigerants, improperly matched condensing units and evaporator coils, or metering devices;
- Dirty Sock Syndrome or odors;
- Automatic transfer switches above 400 amps and/or 3 phase, are excluded from coverage;
- Portable generators are excluded from coverage. Repairs performed by unauthorized Service Agents. Generators used as rental or trailer mounted applications;
- Generators used for prime power where utility power does or does not normally exist. Cost of normal maintenance (i.e. tune-ups and associated parts), adjustments, loose/leaking clamps, installation and start-up;
- Steel enclosures that are rusting due to improper installation, and/or location in a harsh or saltwater environment or scratched where integrity of paint applied is compromised;
- Failures resulting from exposure to corrosive environments, unless seacoast coverage is purchased. Corrosion caused by atmospheric environments contaminated by aerosols;
- Failures caused by any contaminated fuels, oils, coolants or lack of proper fluid amounts;
- Batteries, fuses, belts, spark plugs and all engine fluids;
- Transportation deemed abnormal;
- Equipment that has been moved from original address such as mobile homes, etc;
- Field installed accessories including but not limited to: float switch, secondary drain pan, baffle, drip eliminator, start kit, surge protector, condensate pump, wireless accessories, etc.;
- Refrigerant used during diagnostic, leak checks, or for temporary cooling/heating;

12. **RENEWAL:** This Service Agreement may at Our discretion be renewed at the expiration of its term. When We offer to renew the Service Agreement, the renewal price quoted will reflect the age of the product and the prevailing service cost at the time of the renewal.
13. **TRANSFERABILITY** This Agreement may be assigned or transferred at no charge to subsequent owners if the maintenance required has been performed. This can be done only if the original Service Agreement holder send s notice to the dealer and calls the Program Administrator toll-free at 833-339-2366 within one hundred and eighty (180) days of a change in ownership, the name and address of the new purchaser along with a copy of the original Service Agreement. In the event of a transfer of registered equipment, due to manufacturer/dealer replacement, the original start-up date will remain in effect for the duration of the Agreement.
14. **CANCELLATION:** You may cancel this Agreement at any time. To arrange for cancellation of this Agreement, call Administrator toll-free at 833-339-2366. If You cancel within the first thirty (30) days after purchasing this Agreement You will receive a full refund, less any claims paid or pending.

    If You cancel after thirty (30) days following Your purchase of this Agreement, You will receive a pro rata refund based on the time remaining on Your Agreement, less any claims paid or pending, subject to an administrative fee of $10.00 or 10% of the Agreement purchase price, whichever is less.

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Administrator or We may only cancel this Agreement for the following reasons: nonpayment of the Agreement price, fraud or material misrepresentation. If We cancel this Agreement, Administrator will provide You with written notice of cancellation listing the reason for such cancellation not later than fifteen (15) days before the effective date of termination, and will refund Your payment in full, less any claims paid or pending.

15. **INSURED AGREEMENT:** This is not an insurance policy. However, We have obtained an insurance policy to insure Our performance under this Service Agreement. In the event We cease to operate, become bankrupt, or fail to pay any claim or fail to replace the Product covered under this Service Agreement within sixty (60) days after Product has been returned or, in the event that You cancel this Service Agreement, and We fail to refund the unearned portion of the Service Agreement price, You are entitled to make a direct claim against the insurer, Dealers Assurance Company, 240 N. Fifth Street, Suite 350, Columbus, OH 43215, 800-282-8913.
16. **SUBROGATION:** In the event that coverage is provided under this agreement, We shall be subrogated to all the rights You have to recover against any person or organization arising out of any defect which is the subject of a voluntary or mandatory recall campaign, as well as out of any order, judgment, consent decree, or other settlement, and You shall execute and deliver instruments and papers and do whatever is necessary to secure such rights. You shall do nothing to prejudice those rights. Further, all amounts recovered by You for which You have received benefits under this Agreement shall belong to, and be paid to JB Warranties, up to the amount of benefits paid under this Agreement. We shall recover only the excess after You are fully compensated for Your loss.

ENTIRE CONTRACT:

This Service Agreement together with your Purchase Receipt sets forth the entire contract between the parties and no representation, promise or condition not contained herein shall modify.

SPECIAL STATE DISCLOSURES

Regulation of service plans may vary widely from state to state. Any provision within this service agreement plan ("Service Agreement") which conflicts with the laws of the state where You live shall automatically be considered to be modified in conformity with applicable state laws and regulations as set forth below. The following state specific requirements apply if Your Service Agreement was purchased in one of the following states and supersede any other provision of Your Service Agreement terms and conditions to the contrary.

ALABAMA only:

The Service Agreement Provider is Dealer Alliance Corporation. You may return this Service Agreement within twenty (20) days of the date the Service Agreement was provided to You or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. The Administrator will pay a penalty of 10% per month on a refund that is not paid or credited within forty-five (45) days after return of the service contract to the Administrator. These provisions apply only to the original purchaser of the Service Agreement.

If You cancel this Service Agreement after the first (twenty) 20 days, you will receive the unearned portion of the full purchase price of the Service Agreement, less an administrative fee of up to twenty-five dollars ($25.00).

ARIZONA only:

Definitions: A "consumer" means a contract holder, inclusive of a buyer of the covered product (other than for re-sale), any person to whom the product is transferred during duration of the contract coverage period, or any person entitled to receive performance on the part of the obligor under applicable law; "service Dealer" is any person or entity that performs or arranges to perform services pursuant to a service contract which the person issues; "service contract administrator" means an entity which agrees to provide contract forms, process claims and procure insurance for and on behalf of a dealer in performance of the obligations pursuant to a service contract, but which may not itself perform actual repairs. Dealers Alliance Corporation is the provider and the obligor for this Service Agreement in Arizona.

Cancellation: No claim incurred or paid shall be deducted from the amount of any refund. The cancellation provision shall not contain both a cancellation fee and a cancellation penalty. Administrator or We may only cancel this Agreement for the following reasons: nonpayment of the Agreement price by You, fraud or material misrepresentation by You.

ARKANSAS only:

You may return this Service Agreement within twenty (20) days of the date the Service Agreement was mailed to You or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void, and the full purchase price will be refunded to You. The Administrator will pay a penalty of 10% per month on a refund that is not paid or credited within forty-five (45) days after return of the service contract to the Administrator. These provisions apply only to the original purchaser of the Service Agreement.

CALIFORNIA only:

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PREMIUM PROTECTION PLAN: SERVICE CONTRACT

This Service Agreement may be cancelled by the Agreement holder for any reason, including, but not limited to, the Product covered under this contract being sold, lost, stolen or destroyed. If You decide to cancel Your Service Agreement, and cancellation notice is received by the selling retailer within 30 days of the date you received the Service Agreement, and you have made no claims against the Service Agreement, you will be refunded the full Service Agreement price, less any claims; or if Your Service Agreement is cancelled by written notice after 30 days from the date you received this Service Agreement, you will be refunded a pro-rated amount of the Service Agreement price, less any claims paid or less an administrative fee of 10% of the Service Agreement price or $25, whichever is less, unless otherwise precluded by law. To arrange for cancellation of this Plan, please contact Your selling retailer.

COLORADO only:

Action under this Service Agreement may be covered by the provisions of the "Colorado Consumer Protection Act" or the ""Unfair Practices Act", articles 1 and 2 of title 6, C.R.S. A party to this Service Agreement may have a right of civil action under the laws, including obtaining the recourse or penalties specified in such laws.

CONNECTICUT only:

Section 14. Insured Agreement - is deleted and replaced with the following: This is not an insurance policy. However, We have obtained an insurance policy to insure our performance under this Service Agreement. In the event We cease to operate, become bankrupt, or fail to pay any claim or fail to replace the Product covered under this Service Agreement within sixty (60) days after the Product has been returned or, in the event that You cancel this Service Agreement, and We fail to refund the unearned portion of the Service Agreement price, You are entitled to make a direct claim against the insurer, Dealers Assurance Company, 240 N. Fifth Street, Suite 350, Columbus, OH 43215. Please call the insurer at 800-282-8913 to make a direct claim. The term of Your Service Agreement is automatically extended by the length of time in which the covered Product is in the Obligor's custody for repair under the Service Agreement. You may cancel Your Service Agreement if the covered product is lost, stolen, or destroyed. This Service Agreement provides in-home service. In the event You are unable to resolve a dispute with the Administrator, you may contact the State of Connecticut Insurance Department: P.O. Box 816, Hartford, CT 06142-0816, Attn: Consumer Affairs. The written complaint must contain a description of the dispute, the purchase or lease price of the Product, the cost of repair of the Product, and a copy of the Service Agreement.

FLORIDA only:

The obligor and administrator under this Service Agreement is Dealers Assurance Company (License No. 02977). If you cancel this Service Agreement, you will receive a refund equal to 90% of the unearned pro rata purchase price of the Service Agreement, less any claims that have been paid. If we cancel this Service Agreement, you will receive one hundred percent (100%) of the unearned pro rata purchase price of the Service Agreement. The rates charged to You for this Service Agreement are not subject to regulation by the Florida Office of Insurance Regulation.

GEORGIA only:

You may cancel this Service Agreement at any time by notifying the selling retailer in writing or by surrendering the Service Agreement to the selling retailer, whereupon the selling retailer will refund the unearned pro rata purchase price based on the time remaining on the request for cancellation, less an administrative fee of $10 or 10% of the pro-rata refund amount, whichever is less. To arrange for cancellation of this Plan, please contact Your selling retailer. The Obligor is also entitled to cancel this Service Agreement at any time based upon fraud, misrepresentation, nonpayment of fees by you. The following exclusion: ANY AND ALL PRE-EXISTING CONDITIONS THAT OCCUR PRIOR TO THE EFFECTIVE DATE OF THIS CONTRACT is hereby amended with respect to Georgia contract holders as follows:

WHAT IS NOT COVERED:

ANY AND ALL PRE-EXISTING CONDITIONS KNOWN TO YOU OR REASONABLY SHOULD HAVE BEEN KNOWN TO YOU THAT OCCUR PRIOR TO THE EFFECTIVE DATE OF THIS CONTRACT. Procedures for cancellation of this Service Agreement will comply with section 33-24-44 of the Georgia code. Administrator may cancel this Service Agreement upon thirty (30) days written notice to you. No claim incurred or paid shall be deducted from the amount of any refund.

HAWAII only:

The Administrator will pay a penalty of 10% per month on a refund that is not paid or credited within forty-five (45) days after return of the service contract to the Administrator. This provision applies only to the original purchaser of the Service Agreement.

ILLINOIS only:

The Administrator will pay the cost of covered parts and labor necessary to restore the Product(s) to normal operating condition as a result of covered or mechanical component failure due to normal wear and tear. You may cancel this Service Agreement at any time. If You cancel this Service Agreement within the first thirty (30) days of purchase and if no service has been provided to You, You shall

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receive a full refund of the purchase price less a cancellation fee equal to the lesser of ten percent (10%) of the purchase price or fifty dollars ($50.00). If You cancel this Service Agreement at any other time or if You cancel after service has been provided to You, You shall receive a refund equal to the pro rata purchase price less the value of any service received and less a cancellation fee equal to the lesser of ten percent (10%) of the purchase price or fifty dollars ($50.00).

INDIANA only:

Your proof of payment to the issuing dealer for this Service Agreement shall be considered proof of payment to the insurance company who guarantees Our obligation to You. This Service Agreement is not insurance and is not subject to Indiana insurance law.

MASSACHUSETTS only:

You may return this Service Agreement within twenty (20) days of the date the Service Agreement was mailed to You or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void, and the full purchase price will be refunded to You. The Administrator will pay a penalty of 10% per month on a refund that is not paid or credited within forty-five (45) days after return of the service contract to the Administrator. These provisions apply only to the original purchaser of the Service Agreement.

MAINE only:

You may return this Service Agreement within twenty (20) days of the date the Service Agreement was mailed to You or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. The Administrator will pay a penalty of 10% per month on a refund that is not paid or credited within forty-five (45) days after return of the service contract to the Administrator. These provisions apply only to the original purchaser of the Service Agreement.

MARYLAND only:

You may return this Service Agreement within twenty (20) days of the date the Service Agreement was mailed to You or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void, and the full purchase price will be refunded to You. The Administrator will pay a penalty of 10% per month on a refund that is not paid or credited within forty-five (45) days after return of the service contract to the Administrator. These provisions apply only to the original purchaser of the Service Agreement.

MINNESOTA only:

You may return this Service Agreement within twenty (20) days of the date the Service Agreement was mailed to You or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void, and the full purchase price will be refunded to You. The Administrator will pay a penalty of 10% per month on a refund that is not paid or credited within forty-five (45) days after return of the service contract to the Administrator. These provisions apply only to the original purchaser of the Service Agreement.

MISSOURI only:

You may return this Service Agreement within twenty (20) days of the date the Service Agreement was mailed to You or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void, and the full purchase price will be refunded to You. The Administrator will pay a penalty of 10% per month on a refund that is not paid or credited within forty-five (45) days after return of the service contract to the Administrator. These provisions apply only to the original purchaser of the Service Agreement. In the event of cancellation, no cancellation fee shall apply. In no event will claims paid be deducted from any refund.

NEVADA only:

This Service Agreement is not an insurance policy. This Service Agreement does not provide replacement or service coverage for failures or breakdowns arising from pre-existing conditions or for any form of consequential damages. The cancellation provision in Your Service Agreement is hereby deleted and replaced with the following:

"This Service Agreement is void and We will refund to You the purchase price of this Service Agreement, if no service or replacement claim has been made and You return the Agreement to Us: Within 20 days after the date this Service Agreement was mailed or otherwise sent to You; or Within 10 days after You have received a copy of the Service Agreement if We have furnished You with a copy of this Agreement at the time when this Agreement was purchased. To arrange for cancellation of this Agreement, please contact Your selling retailer. We will refund to You the purchase price of this Agreement within 45 days after it has been returned to Us. If We do not refund the purchase price within 45 days, We will pay the You a penalty of 10 percent of the purchase price for each 30-day period that the refund remains unpaid. You may also cancel this Service Agreement at any other time and receive a refund equal to the pro rata

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purchase price. These provisions apply only to the original purchaser of the Service Agreement. We may not cancel this Agreement once it has been in effect for at least seventy (70) days, except for the following conditions: Failure to pay the service Agreement purchase price; The Agreement holder being convicted of a crime which results in an increase in the service required under this Agreement; Discovery of fraud or material misrepresentation perpetrated by You in purchasing this Agreement or obtaining service; The discovery of an act or omission, or a violation of any condition of this Agreement by You which substantially and materially increases the service requested under the Service Agreement; or A material change in the nature or extent of the service required under the Service Agreement, which occurs after the purchase of this Agreement, and substantially and materially increases the service required beyond that contemplated at the time of purchase. If We cancel this Service Agreement for any of the above reasons, You will receive a refund equal to the pro rata purchase price. With respect to each Product covered under this Service Agreement, the Administrator and/or Obligor liability is limited to the original retail purchase price You paid for such Product. We may not cancel this Service Agreement until at least fifteen (15) days after the notice of cancellation has been mailed to You.

THIS SERVICE AGREEMENT IS SUBJECT TO A WAITING PERIOD AND PROVIDES NO COVERAGE PRIOR TO EXPIRATION OF THE WAITING PERIOD.

Repair Protection:

1. **Emergency Repair – Service Within 24 Hours:** For goods that are essential to the health and safety of the holder, such as loss of heating, cooling, plumbing or substantial electrical service, and such loss of service renders the home otherwise uninhabitable, will commence within 24 hours after the claim is reported.
2. **Emergency Repair – Status Report:**
   In an emergency situation, if the repairs cannot be completed within three (3) calendar days after the report of the claim the Administrator, will provide a status report to the holder that will include the following:
   - A list of the required repairs or services,
   - The primary reason causing the required repairs or services to extend beyond the 3-day period, including the status of any parts required for the repairs or services,
   - The current estimated time to complete the repairs or services, and
   - Contact information for the holder to make additional inquiries concerning any aspect of the claim and a commitment by you to respond to such inquiries not later than one (1) business day after such an inquiry is made.

NEW HAMPSHIRE only:

In the event You do not receive satisfaction under this Service Agreement, You may contact the New Hampshire Insurance Department at 21 South Fruit Street, Suite 14, Concord, NH 03301, 1 (800) 852-3416.

NEW JERSEY only:

The Agreement Provider/Obligor is Dealers Administrative Services Corporation. The Administrator will pay a penalty of 10% per month on a refund that is not paid or credited within forty-five (45) days after return of the service contract to the Administrator. This provision applies only to the original purchaser of the Service Agreement.

NEW MEXICO only:

Final Service Agreement price to be determine prior to presentation to Service Agreement holder for signature. You may return this Service Agreement within twenty (20) days of the date this Service Agreement was provided to You. If You made no claim, the contract is void, and the full purchase price will be refunded to You. The Administrator will pay a penalty of ten (10%) percent per month on a refund that is not made within sixty (60) days of the return of the Service Agreement. These provisions apply only to the original purchase of the Service Agreement. The Administrator may not cancel this Service Agreement once it has been in effect for seventy (70) days except for the following conditions: failure to pay an amount when due; the conviction of You in a crime that results in an increase in the service required under the Service Agreement; fraud or material misrepresentation by you in purchasing the Service Agreement or in obtaining service; or the discovery of an act or omission, or a violation of any condition of the Service Agreement by You which substantially and materially increases the service required under the Service Agreement. If Administrator cancels this Service Agreement, We will mail a written notice to You at Your last known address at least fifteen (15) days prior to cancellation with the reason for cancellation. The Administrator is not required to mail You written notice if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation, or a substantial breach of duties by You relating to the covered property or its use. This service contract is insured by Dealers Assurance Company. If the service contract provider fails to pay you or otherwise provide you with the covered service within 60 days of your submission of a valid claim, you may submit your claim to Dealers Assurance Company at 240 N. Fifth Street, Suite 350, Columbus, OH, 800-282-8913. If you have any concerns regarding the handling of your claim, you may contact the Office of Superintendent of Insurance at 855-427-5674.

NEW YORK only:

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PREMIUM PROTECTION PLAN: SERVICE CONTRACT

The Service Agreement Provider/Obligor under this Service Agreement is Dealers Administrative Services. You may return this Service Agreement within twenty (20) days of the date this Service Agreement was provided to You, or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. The Administrator will pay a penalty of ten (10) percent per month on a refund that is not made within thirty (30) days of return of the Service Agreement to the Administrator. These provisions apply only to the original purchaser of the Service Agreement. In the event we cancel this Service Agreement, We will mail a written notice to You at your last known address at least fifteen (15) days prior to cancellation with the reason for cancellation. Administrator is not required to mail You written notice if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation, or a substantial breach of duties by You relating to the covered property or its use.

NORTH CAROLINA only:

The purchase of a Service Agreement is not required in order to obtain financing. The Administrator may not cancel this Service Agreement except for nonpayment by You, or in violation of any of the terms and conditions of this Service Agreement. If You cancel Your Service Agreement, You will receive a pro-rata refund, less the cost of any claims paid and less a cancellation fee of ten percent (10%) of the amount of the refund.

OKLAHOMA only:

Dealers Alliance Corporation Service Warranty License No. # 44197929. This is not an insurance contract. Coverage afforded under this Service Agreement is not guaranteed by the Oklahoma Insurance Guaranty Association. In the event You cancel this Service Agreement, You shall receive a refund equal to ninety percent (90%) of the unearned pro-rata purchase price. To arrange for cancellation of this Plan, please contact Your selling retailer. In the event We cancel this Service Agreement, You shall receive a refund equal to one hundred percent (100%) of the unearned pro-rata purchase price, less the cost of any service received.

OREGON only:

If in an emergency situation and Administrator cannot be reached, You can proceed with repairs. The Administrator will reimburse You or the repairing facility in accordance with the Service Agreement provisions.

SOUTH CAROLINA only:

In order to prevent damage to the covered Product, please refer to the owner's manual. This Service Agreement does not provide coverage for pre-existing conditions. This Service Agreement does not cover repair and replacement necessitated by loss or damage resulting from 1) any cause other than normal use and operation of the Product in accordance with manufacturer's specifications and/or owner's manual or 2) failure to use reasonable means to protect Your Product from further damage after a breakdown or performance failure occurs. You may return this Service Agreement within twenty (20) days of the date this Service Agreement was provided to You, or within ten (10) days, if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. To arrange for cancellation of this Agreement, please contact Your selling retailer. The Administrator will pay a penalty of ten percent (10%) per month on a refund that is not made within forty-five (45) days of return of the Service Agreement to the Administrator. These provisions apply only to the original purchaser of the Service Agreement. In the event the Administrator cancels this Service Agreement, the Administrator will mail a written notice to You at Your last known address at least fifteen (15) days prior to cancellation with the reason for cancellation. The Administrator is not required to mail You written notice if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation, or a substantial breach of duties by You relating to the covered property or its use. In the event You have a question or complaint, You may contact the South Carolina Department of Insurance, P.O. Box 100105, Columbia, South Carolina, 29202-3105, Telephone (803) 737-6134.

TEXAS only:

Fortress Extended Warranty Administration, LP, Administrator license #270. The Administrator will pay a penalty of ten (10) percent of the amount outstanding per month on a refund that is not made within forty-five (45) days. The provisions apply only to the original purchaser of the Service Agreement. In the event We cancel the Service Agreement, We will mail a written notice to You at Your last known address at least five (5) days prior to cancellation, which shall state the effective date of cancellation and the reason for cancellation. However, prior notice is not required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by You relating to the covered property or its use, or a substantial breach of Your duties relating to the covered product or its use. You may apply directly to the insurer if a refund or credit is not paid before the 46th day after the date on which the Service Agreement is canceled. Unresolved complaints concerning a provider or questions concerning the registration of a service contract provider may be addressed to the Texas Department of Licensing and Regulations, PO Box 12157, Austin TX 78711, telephone number 1-800-803-9202.

UTAH only:

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We may cancel this Service Agreement by providing You with (30) days' written notice for the following reasons only: fraud, material misrepresentation, substantial change in the risk assumed, unless We should reasonably have foreseen the change or contemplated the risk when entering into the contract. We may cancel this Service Agreement by providing You with ten (10) days written notice if the reason for cancellation is non-payment by You. This Service Agreement does not provide coverage for pre-existing conditions or any product that is subject to neglect, abuse or damage prior to issuance of the Service Agreement. If in an emergency situation and Administrator cannot be reached, You can proceed with repairs. The Administrator will reimburse You or the repairing facility in accordance with the Service Agreement provisions. This Service Agreement may be paid in full at the time of purchase or financed. Coverage afforded under this Service Agreement is not guaranteed by the Property and Casualty Guaranty Association. This Service Agreement is subject to limited regulation by the Utah Insurance Department. To file a complaint, contact the Utah Insurance Department. TERMS AND CONDITIONS ITEM 8 – TO OBTAIN SERVICE, is deleted and replaced with the following: 8. To Obtain Service: If the covered product requires service, contact the Selling Dealer noted on the front page of Your Service Agreement. You must provide the Agreement number and explain the problem. They will attempt to resolve the problem you are experiencing over the telephone. If the service agent cannot resolve the problem they will schedule a service call with You. In the event You are unable to contact the Selling Dealer, please contact the Administrator at 833-339-2366 to obtain service. We reserve the right to inspect the product from time to time. Service will be provided during normal business hours and in the USA only.

VERMONT only:

You may return this Service Agreement within twenty (20) days of receipt and, if no claim for service has been made, receive a full refund of the Agreement purchase price.

WASHINGTON only:

You may return this Service Agreement within twenty (20) days of the date this Service Agreement was provided to You, or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. The Administrator will pay a penalty of ten (10) percent per month on a refund that is not paid or credited within thirty (30) days after the return of the Service Agreement to the Administrator. These provisions apply only to the original purchaser of the Service Agreement. In the event the Administrator cancels the Service Agreement, the Administrator will mail a written notice to You at Your last known address at least twenty-one (21) days prior to cancellation, which shall state the effective date of cancellation and the reason for cancellation. You may make a claim directly with Dealers Assurance Company at any time, at 240 N. Fifth Street, Suite 350, Columbus, OH 43215, 800-282-8913. The state of Washington is the jurisdiction for any civil action in connection with this Service Agreement.

WISCONSIN only:

THIS WARRANTY IS SUBJECT TO LIMITED REGULATION BY THE OFFICE OF THE COMMISSIONER OF INSURANCE. This Service Agreement may be cancelled by the purchaser within fifteen (15) days of the date of purchase for a full refund less actual administrative costs associated with issuance and cancellation. To arrange for cancellation of this Plan, please contact your selling retailer. The selling retailer shall return one hundred percent (100%) of the purchase price, less an administrative fee of ten percent (10%) of the Service Agreement price up to twenty-five dollars ($25.00). We may only cancel this Service Agreement for material misrepresentation by You, non-payment by You, or a substantial breach of duties by You relating to the covered product or its use. If We cancel this Service Agreement, We will mail written notice to You at Your last known address at least ten (10) days prior to cancellation. The notice shall state the effective date and reason for cancellation.

Lack of pre-authorization shall not be the sole grounds for a claim denial; however, unauthorized repairs may not be covered if evaluated to have been an unreasonable expense. Our obligations under this Service Agreement are insured under a contractual liability insurance policy. Should We fail to pay a covered claim under this Service Agreement within sixty (60) days after You provide proof of loss or, in the event You cancel this Service Agreement and We fail to refund the unearned portion of the Service Agreement purchase price or, if We becomes insolvent or otherwise financially impaired, You are entitled to make a direct claim against the insurer, Dealers Assurance Company, at 1-800-282-8913 or 240 N. Fifth Street, Suite 350, Columbus, OH 43215 for reimbursement.

Terms & Conditions, Item 7. Limit of Liability, is deleted and replaced with the following: The total amount that We will pay for repairs made in connection with all claims that You make pursuant to this Service Agreement shall not exceed the purchase price of the product less taxes, or our limit of liability table [Attachment: Limit of Liability], whichever is less. In the event that We make payments for repairs, which in the aggregate, are equal to the product Purchase Price, or We replace the product with a new, rebuilt or refurbished product of equal or similar features and functionality, We will have no further obligations under this Service Agreement. For more details on Limit of Liability, please visit https://jbwarranties.com/lol.

WYOMING only:

You may return this Service Agreement within twenty (20) days of the date this Service Agreement was provided to You, or within ten (10) days if the Service Agreement was delivered to You at the time of sale. If You made no claim, the Service Agreement is void and the full purchase price will be refunded to You. The Administrator will pay a penalty of ten (10) percent on a refund that is not paid or

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credited within forty-five (45) days after return of the Service Agreement to the Administrator. These provisions apply only to the original purchaser of the Service Agreement. In the event Administrator cancels the Service Agreement, Administrator will mail a written notice to You at Your last known address, at least, ten (10) days prior to cancellation which shall state the effective date of cancellation and the reason for cancellation. However, prior notice is not required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by You relating to the covered property or its use, or a substantial breach of Your duties relating to the covered product or its use.

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Exhibit G
Confidentiality and Data Security Requirements

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

1. The Confidential Information disclosed to Consultant in connection herewith may include the following information about Authority Customers: (a) names; (b) addresses; (c) telephone numbers and email addresses; (d) service agreement numbers and account numbers; (e) meter and other identification numbers; (f) Authority-designated account numbers; (g) electricity and gas usage (including monthly usage, monthly maximum demand, electrical or gas consumption, HP load, and other data detailing electricity or gas needs and patterns of usage); (h) billing information (including rate schedule, baseline zone, CARE participation, end use code (heat source) service voltage, medical baseline, meter cycle, bill cycle, balanced payment plan and other plans); (i) payment / deposit status; (j) number of units; and (k) other similar information specific to Authority Customers individually or in the aggregate. Confidential Information shall also include specifically any copies, drafts, revisions, analyses, summaries, extracts, memoranda, reports and other materials prepared by Consultant or its representatives that are derived from or based on Confidential Information disclosed by Authority, regardless of the form of media in which it is prepared, recorded or retained.

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

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

4. Consultant shall, at all times and in perpetuity, keep the Confidential Information in the strictest confidence and shall take all reasonable measures to prevent unauthorized or improper disclosure or use of Confidential Information. Consultant shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure and prohibits the use of the data for purposes not set forth in the Agreement. Specifically, Consultant shall restrict access to Confidential Information, and to materials prepared in connection therewith, to those employees, officers, directors, employees, agents, advisors and consultants (collectively "representatives") of Consultant who have a "need to know" such Confidential Information in the course of their duties with respect to the Consultant program and who agree to be bound by the nondisclosure and confidentiality obligations of this Agreement. Prior to disclosing any Confidential Information to its employees or representatives, Consultant shall require such employees or representatives to whom Confidential Information is to be disclosed to review this Agreement and to agree to be bound by the terms of this Agreement. Consultant shall not disclose Confidential

Information or otherwise make it available, in any form or manner, to any other person or entity that is not Consultant's employee or representative (a "Third Party"), except where that Third Party has separately entered into a nondisclosure agreement with Authority. Without limiting Consultant's obligation of confidentiality as further described herein, Consultant shall be responsible for establishing, maintaining, and providing a written description to Authority of, a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that comply with or are substantial similar to the security controls identified in the current version of NIST SP800-53, and that is designed to: (a) ensure the security and confidentiality of the Authority's Data; (b) protect against any anticipated threats or hazards to the security or integrity of the Data; (c) protect against unauthorized disclosure, access to, or use of the Data; (d) ensure the proper disposal of Data; and, (e) ensure that all employees, agents, and subcontractors of Consultant, if any, comply with all of the foregoing. In no case shall the safeguards of Consultant's data privacy and information security program used to protect Data be less stringent than the safeguards used by Consultant for its own data. If the services include handling credit card information, then the Consultant shall comply at all times with all applicable Payment Card Industry Data Security Standards (PCI-DSS). Consultant agrees and warrants that it is responsible for the security of "cardholder data" that Consultant possesses, stores, processes or transmits on behalf of the Authority, and for any impact on the security of Authority's cardholder data environment adversely affected by any failure of Company to maintain compliance with provisions of the PCI-DSS applicable to the services. No less than annually, Consultant shall conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to Authority. The required audit shall be a SAS-70 (or successor standard) compliant audit, and Consultant shall provide the audit findings in the form of an SAS-70 Type II report.

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

6. In the event of any act, error or omission, negligence, misconduct, or breach that permits any unauthorized access to, or that compromises or is suspected to compromise the security, confidentiality, or integrity of the Authority's Data or the physical, technical, administrative, or organizational safeguards put in place by Consultant that relate to the protection of the security, confidentiality, or integrity of the Data, Consultant shall, as applicable: (a) notify Authority as soon as practicable but no later than seventy-two (72) hours of becoming aware of such occurrence; (b) cooperate with Authority in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by Authority; (c) in the case of Confidential Information, at Authority's sole election, (i) notify the affected individuals who comprise the Confidential Information as soon as practicable but no later than is required to comply with applicable law including, but not limited to, the provisions of California Civil Code Section 1798.82, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or, (ii) reimburse Authority for any costs in notifying the affected individuals; (d) in the case of Confidential Information, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the Confidential Information for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twelve (12) months following

the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; ; (f) be responsible for recreating lost Data in the manner and on the schedule set by Authority without charge to Authority; (g) provide to Authority a detailed plan within ten (10) calendar days of the occurrence describing the measures Consultant will undertake to prevent a future occurrence and (h) upon conclusion of the occurrence, or at Authority's request, provide to Authority a comprehensive summary of the occurrence, including reason for occurrence, details of occurrence, how occurrence was addressed and any other information required by Authority, which shall be executed by Consultant and may be relied upon by Authority as a true and accurate account of the occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Consultant's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Consultant has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Consultant. This Section shall survive the termination of this Agreement.

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

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

9. Consultant shall comply with the consumer protections concerning subsequent disclosure and use set forth in Attachment B to California Public Utilities Commission (CPUC) Decision No. 12-08-045.

10. In addition to any other requirements set forth in the Agreement, within ten (10) business days of receipt of Authority's written request, and at Authority's option, Consultant will either return to Authority all tangible Confidential Information, including but not limited to all electronic files, documentation, notes, plans, drawings, and copies thereof, or will provide Authority with written certification that all such tangible Confidential Information of Authority has been destroyed.

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

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