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

Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, October 9, 2024
5:30 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

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

Milpitas Police Department
1275 N. Milpitas Blvd
Milpitas, CA

Teleconference Meeting
Webinar:
https://cityofcupertino.zoom.us/j/91028597571

Telephone (Audio Only):
US: +1 669-900-6833
Webinar ID: 910 2859 7571

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.

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

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

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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

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.

Public Comment on Closed Session

Closed Session

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Director Walia, Board Chair, and Director Tyson, Board Vice Chair
Unrepresented employee: Chief Executive Officer

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: (two potential cases)

Report from Closed Session

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SILICON VALLEY CLEAN ENERGY

Tina Walia, Chair
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George Tyson, Vice Chair
Town of Los Altos Hills

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Pat Showalter
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Larry Klein
City of Sunnyvale

Otto Lee
County of Santa Clara

Consent Calendar (Action)

1a) Approve Minutes of the September 11, 2024, Board of Directors Meeting

1b) Receive August 2024 Treasurer Report

1c) Adopt Resolution Supporting Proposition 4 on the November 5, 2024 California State Ballot

1d) Approve an Allocation of Program Fund Dollars of $6 million to Expand Three Decarbonization Programs and Initiatives

1e) Approve an Allocation of $20,000 from the Operating Budget for the Annual SVCE 2025 Youth Scholarship Competition

1f) California Community Power Report

1g) Additional Committee Reports

Regular Calendar

2) CEO Report (Informational)

3) Approve an Allocation of $100,000 from the Operating Budget for the Proposed 2024-2025 Expanded Education Fund (Action)

4) Authorize the Chief Executive Officer to Execute a 10-Year Power Purchase Agreement with VCI Energy for Glossy Garlic Solar + Storage (Action)

5) 2023 Community-Wide Greenhouse Gas Emissions Update (Discussion)

Board Member Announcements and Direction on Future Agenda Items

Adjourn

svcleanenergy.org

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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

Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, September 11, 2024
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

Milpitas City Hall
455 E. Calaveras Blvd.
Milpitas, CA

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

2302 Zanker Road
San Jose, CA

DRAFT MEETING MINUTES

Call to Order:
Chair Walia called the meeting to order at 7:01 p.m. and requested a moment of silence to honor the lives lost on September 11, 2021 and in honor of first responders for their service.

Following the moment of silence, Director Meadows stated she was participating remotely pursuant to AB 2449 under the "Just Cause" provision due to a physical disability that could not be accommodated and there was no one else 18 or over present in the location. Director Meadows also noted she would not be on camera and would abstain from votes and discussion during the regular meeting

Roll Call
Present:
Tina Walia (Chair), Saratoga
George Tyson (Vice Chair), Los Altos Hills
Sheila Mohan, Cupertino
Rebeca Armendariz, Gilroy (participated remotely)
Sally Meadows, Los Altos (participated remotely)
Maria Ristow, 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:
Elliot Scozzola, Campbell

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

Consent Calendar

Chair Walia commented on Item 1d, noting the proposed Clean Air Day Resolution and recognizing SVCE's work on reducing emissions and improving air quality.

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

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

1b) Approve Minutes of the August 14, 2024, Board of Directors Special Meeting

1c) Receive July 2024 Treasurer Report

1d) Adopt Resolution Establishing October 2, 2024 as Clean Air Day

1e) Authorize the Chief Executive Officer to Execute a Two-Year Agreement with Braun Blaising Wynne P.C. ("BBW") for a Not to Exceed Amount of $330,000 for Regulatory Legal Counsel Services

1f) Authorize the Chief Executive Officer to Execute an Agreement with Maher Accountancy Through September 30, 2025 for a Not to Exceed Amount of $298,500 for Accountant Services

1g) Receive Executive Committee Report

1h) Receive California Community Power Report

1i) Receive Additional Committee Reports

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

The motion carried by verbal roll call vote with Director Scozzola absent and an abstention from Director Meadows.

Regular Calendar

2) CEO Report (Informational)

CEO Monica Padilla reported the following:

1) Introduction of Ashlie Park, Community Outreach Fellow, and Anand Govindarajan, Senior Quantitative Analyst, who both provided brief welcome comments;
2) Announcement of SVCE staff's quarterly retreat occurring September 12 and 13, 2024, which would include a tour of the City of Sunnyvale's Civic Center and SVCE's tiny demonstration home (SVCE Dream Home); and
3) Jessica Cornejo, Senior Programs Specialist, provided an update on new Member Agency and Community Grants. CEO Padilla noted a presentation provided to the Executive Committee was linked in the CEO Report of the agenda packet.

Chair Walia requested staff reach out to the Board of Directors with information on where to tour the SVCE Dream Home on September 12, 2024.

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

3) Adopt the Fiscal Year 2024-25 Recommended Operating Budget, Staff Benefits Update, and Updated Reserves Policy Targets (Action)

Amrit Singh, CFO and Director of Administrative Services, presented the draft operating budget for approval, which included:

- A forecast year-over-year revenues decrease of ~$112M;
- An increase in Power Supply Costs of ~6%;
- Contributions to reserves at $14M;
- Continuing a 4% customer discount with an additional 3% directed to low-income customers as bill credits (to be revisited in December once there is more certainty on PG&E rates);
- An adjustment of employee compensation for the cost of living and merit (~6%);
- The addition of a floating holiday, as suggested at the last Board of Directors meeting; and
- An increase in target reserves from 300 to 350 days of cash on hand and upper target from 490 to 500 days of cash on hand.

Staff responded to questions from board members regarding timing for rate setting, customer discounts, and Finance and Administration Committee membership.

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

MOTION: Director Showalter moved and Director Lee seconded the motion to adopt Resolution 2024-13 approving the fiscal year (FY) 2024-25 Recommended Operating Budget ("Recommended Budget"), which includes at a high level the following:

1. **Projects depositing $14.0 million into the reserves;**
2. **Updates SVCE's staff benefits;**
3. **Maintains a four percent (4%) discount to PG&E's rates; and**
4. **Updates the Reserve Policy increasing the Target for Days Cash on Hand (DCOH) from 300 to 350 and the Maximum DCOH from 490 to 500.**

The motion carried by verbal roll call vote with Director Scozzola absent and an abstention from Director Meadows.

4) Adopt the Fiscal Year 2024-25 Strategic Focus Areas and Strategic Plan (Action)

CEO Padilla presented the proposed fiscal year 2024-25 Strategic Focus Areas and Strategic Plan Goals, as shown below:

<u>Strategic Focus Areas</u>
1. Expand Affordability Efforts
2. Expand Clean & Reliable Grid Actions
3. Expand Offerings to C/I Customers
4. Prepare Region for Electrification at Scale
5. Attract & Retain Employees

<u>Strategic Plan Goals</u>
1. Advance policies which support SVCE's mission to reduce dependence on fossil fuels.
2. Long-term, target for 100% clean energy annually by building a balanced portfolio with consideration for both affordability and reliability while exploring long-term pathways to clean power supply.
3. Create a long-term decarbonization plan that integrates supply and demand changes, opportunities, and challenges.
4. Acquire power supply resources in a cost-effective manner to meet legislative and regulatory obligations, Board directives and customer specific products.

5. Manage and optimize load and power resources to meet affordability, GHG reduction and reliability objectives.
6. Maintain healthy financial position; avoid failures in management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks.
7. Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions.
8. Engage customers and community stakeholders to build trust of SVCE and advance decarbonization.
9. Implement industry best practices to enable data-driven decision making across the organization; enhance systems, standards and procedures to streamline business processes and improve operational effectiveness and reliability (aka SVCE 3.0).
10. Hire, retain and develop high-performing talent via competitive benefits and rewarding work culture.

Board members provided supportive comments on the proposed Strategic Focus Areas and Plan.

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

MOTION: Director Lee moved and Director Mekechuk seconded the motion to adopt the proposed FY 2024-25 Strategic Focus Areas and Strategic Plan.

The motion carried by verbal roll call vote with Director Scozzola absent and an abstention from Director Meadows.

5) Local Agency Action Planning (Informational)

Zoe Elizabeth, Deputy Director of Decarbonization Programs and Policy provided a status update on the Bay Area Air Quality Management District (BAAQMD) rule and agency readiness planning.

Staff responded to questions and comments on reach codes, adjusting to the Ninth Circuit's Ruling on the Berkeley gas ban, and advocacy to modernize laws.

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

6) Clean Pathways and 24x7 Study (Discussion)

Director Meadows left the meeting at 8:38 p.m.

CEO Padilla introduced the item and Maren Wenzel, Director of Regulatory, Policy and Planning, provided a presentation on clean energy pathways. The presentation included the following:

- Background on market fundamentals;
- Background on market outlook;
- Background on portfolio management best practices;
- The E3 Study overview and purpose;
- Current portfolio;
- Initial results of the E3 study; and
- Risk analysis.

Planned next steps were reviewed and included:

- Staff to further assess viability of 2035 target
  - Maintaining 100% clean target
  - Achieving 100% RPS
  - Determining achievable hourly clean target
- Assess role of demand side options via integrated decarbonization planning process
- Return to board by March 2025 with recommended clean targets to assess for 2025 IRP

Staff responded to questions from board members, which included the following:

- The definition of "dirtier hours" and load management standards

- Rates not being aligned with carbon power,
- Review of the merit of clean options,
- Next steps for staff to bring a recommendation back to the Board of Directors,
- Over-procurement risks,
- Finding capacity to store energy,
- Unknown artificial intelligence energy growth,
- The future of resources once an agreement ends and if there is a certain life cycle for projects,
- Target goals and flexibility,
- If geothermal energy is viable,
- Mechanical storage facilities in California,
- Demand management,
- Total impact range clarification, and
- Other Community Choice Aggregator targets.

Chair Walia opened Public Comment.
Bruce Karney thanked staff for the presentation and made the following comments: 1) Peninsula Clean Energy performed a similar analysis and modeled matching 100% of the one-day-ahead forecast; 2) the affordability aspects of electricity versus natural gas, and his opinion that it is more important to accelerate the swap-out of natural gas for electricity, even if that electricity is not pristinely clean electricity; and 4) the importance of service territory-wide GHG emissions data to see which model is likely to drive natural gas use down.

Chair Walia closed Public Comment.

CEO Padilla noted a recommendation would be brought back to the Executive Committee before being presented to the Board of Directors.

Board Member Announcements and Future Agenda Items
Director Mekechuk congratulated Chair Walia and Alternate Director Ristow on their appointments to their respective councils; Director Mekechuk announced he would be attending the Victory Pass ribbon cutting event on October 10, 2024 and the League of California Cities Annual Conference and Expo October 16, 2024.

Alternate Director Ristow confirmed Director Meadows left the meeting at 8:38 p.m.

Director Klein announced an invitation to the City of Sunnyvale's State of the City event on September 21, 2024.

Public Comment on Closed Session
No speakers.

The Board of Directors convened to Closed Session at 9:15 p.m.

Closed Session
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Director Walia, Board Chair, and Director Tyson, Board Vice Chair
Unrepresented employee: Chief Executive Officer

The Board of Directors returned from Closed Session at 10:08 p.m.

Report from Closed Session
Chair Walia announced there was nothing to report.

Adjourn
Chair Walia adjourned the meeting at 10:08 p.m.

ATTEST:

_____
Andrea Pizano, Board Secretary

TREASURER REPORT

Fiscal Year to Date
As of August 31, 2024

(Preliminary & Unaudited)

Issue Date: October 9, 2024

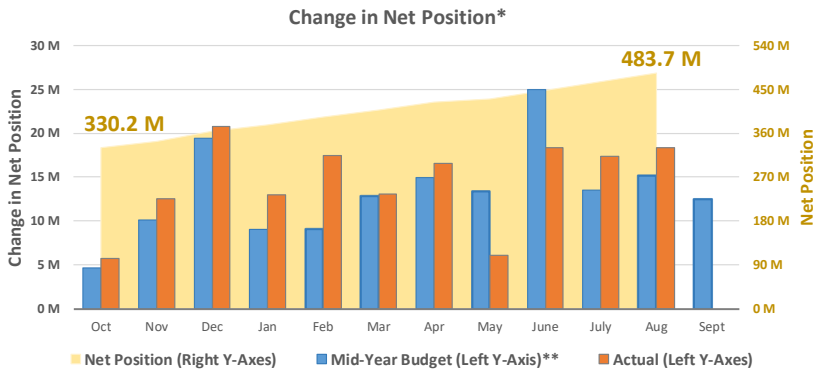
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SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights* ($ in millions)
August 31, 2024

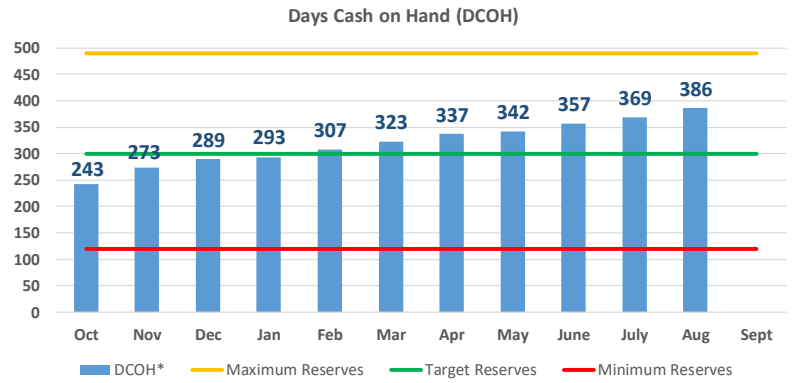
Balance Sheet Highlights:

> SVCE operations resulted in a change in net position of $18.4 million for the month of August and $159.2 million for fiscal-year-to-date (FYTD).*
> Total Net Position increased further to $483.7 million.
> SVCE is investing ~95.5% of available funds generating FYTD interest/dividend income of over $20.6 million.



*Does not yet recognize unspent program dollars

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



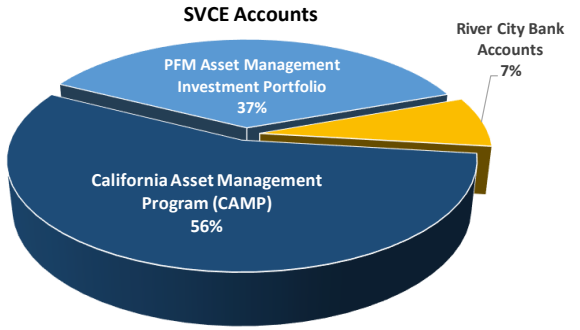
*Adjusted to reflect the Mid-Year Budget (approved in March 2024) revisions

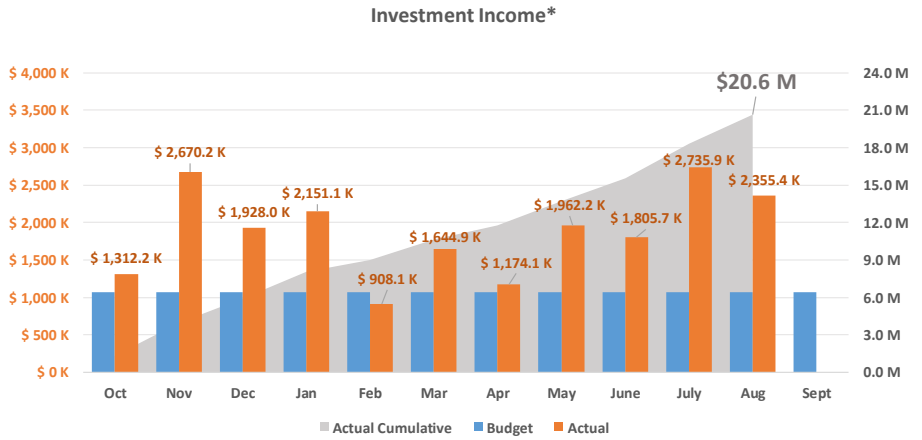
SVCE Yield-bearing Accounts:

Combined Ending Balance*	443.3 M
Total Interest/Div. Earned FYTD	20.6 M
Average Return On Investments**	5.11%

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

** Average annualized Yield for the current month





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

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

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

- **FYTD operating margin of $170.5 million or 34.9% is slightly below the Mid-Year budget expectations of $173 million (or 34.8%) operating margin for the fiscal year to date.**
- **FYTD Power Supply costs are -1.9% below Mid-Year budget.**
- **Retail GWh sales for 11 months of FY24 were -1% below the Mid-Year budget estimation.**

Variance Explanation:

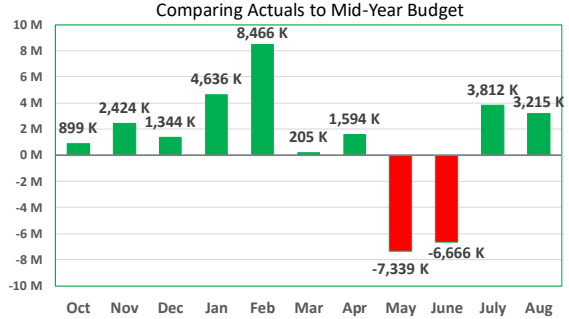
October - December *- mainly reflects lower operating expenses and higher investment income as revenue and power supply cost were actualized during the Mid-Year budgeting.*

January - April *- customer demand/revenues slightly above SVCEs mid-year forecast, while lower power supply cost and other operating expenses combined with higher interest income elevated the net position.*

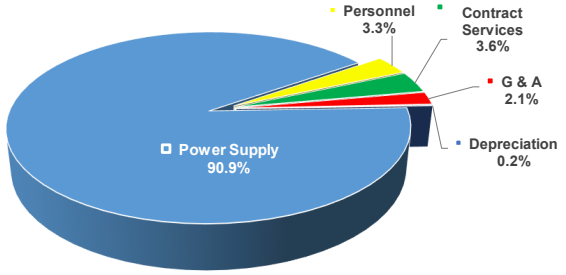
May - June *- revenues were below SVCE's mid-year budget forecast, especially for June, due to weaker customer demand. Power supply expenses were significantly higher for the month of May because of lumpsum payments for renewable resource attribute costs, which in the budget are spread throughout all months of the fiscal year.*

July - August *- higher investment income combined with lower power supply cost and recurrent savings from other operating expenditures.*

Net Increase in Available Fund Balance
Comparing Actuals to Mid-Year Budget

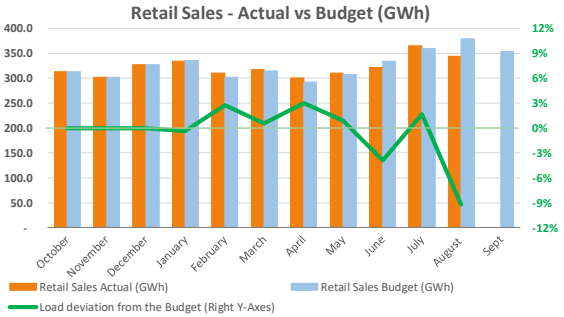


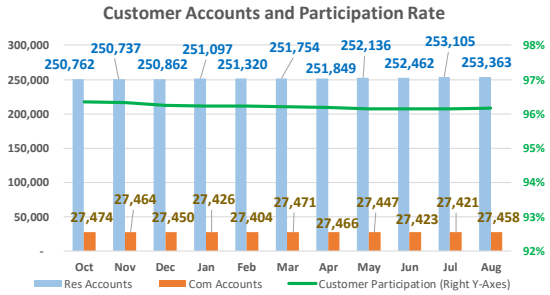
YTD Operating Expenses



$ in millions	August Actual	August MY Budget	August % Dif	Fiscal YTD Actual	Fiscal YTD MY Budget	Fiscal YTD % Dif	Main Drivers:
Revenue	58.7 M	59.0 M	-0.5%	488.7 M	497.6 M	-1.8%	• *Lower YTD customer demand*
Power Supply Cost	39.8 M	41.4 M	-3.8%	318.2 M	324.5 M	-1.9%	• *Lower YTD costs due to decline in energy prices. Settlement timing increases offset by lower energy prices and CRR revenue*
Operating Margin	18.9 M	17.6 M	7.4%	170.5 M	173.0 M	-1.4%	
Operating Expenses (ex Power)	2.1 M	2.8 M	-22.8%	23.9 M	29.3 M	-18.7%	• *Staffing vacancies, underrunning professional services, and lower marketing expenses*
Other Non-Op. Expen. (Income)	-2.4 M	-1.1 M	120.6%	32.3 M	43.6 M	-25.9%	• *Reflects higher Interest Income*
Net Increase in Available Fund Balance	19.1 M	15.9 M	20.2%	114.4 M	100.1 M	14.3%	• *Reflects budgetary transfers to program and other funds*

Customer Load Statistics:





Total Accounts	**280,821**
Opt-Out Accounts (Month)	**65**
Opt-Out Accounts (FYTD)	**619**
Opt-Up Accounts (Month)	**(26)**
Opt-Up Accounts (FYTD)	**(517)**

Program Funds:

	Beginning Balance	End Balance	YTD Contributions	YTD Expenditures
General Program Fund	$ 56,617,120	$ 80,947,850	$ 31,062,000	$ 6,731,270
CRCR Fund*	$ 5,483,032	$ 6,108,065	$ 4,300,000	$ 3,674,967
Electrification Discount Fund	$ 9,446,460	$ 9,279,282	$ -	$ 167,178
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 August 31, 2024

ASSETS		
Current Assets		
Cash & Cash Equivalents	$	263,635,478
Accounts Receivable, net of allowance		48,845,858
Investments		66,556,997
Accrued Revenue		30,872,504
Other Receivables		5,589,086
Prepaid Expenses		2,727,988
Deposits		684,250
Restricted cash		-
Total Current Assets		**418,912,161**
Noncurrent assets		
Capital assets, net of depreciation		814,729
Investments		139,610,501
Deposits		45,130
Total Noncurrent Assets		**140,470,360**
Total Assets		**559,382,521**
LIABILITIES		
Current Liabilities		
Accounts Payable		1,658,390
Accrued Cost of Electricity		45,095,695
Other accrued liabilities		1,403,418
User Taxes and Energy Surcharges due to other gov'ts		1,655,651
Supplier security deposits		10,125,000
Lease liability		446,492
Total Current Liabilities		**60,384,646**
Noncurrent Liabilities		
Supplier security deposits		15,303,125
Total noncurrent liabilities		**15,303,125**
Total Liabilities		**75,687,771**
NET POSITION		
Net investment in capital assets		368,237
Restricted for security collateral		-
Unrestricted (deficit)		483,326,513
Total Net Position	**$**	**483,694,750**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2023 through August 31, 2024

OPERATING REVENUES	
Electricity Sales, Net	$ 485,113,946
GreenPrime electricity premium	2,305,444
Liquidated damages	1,291,500
Other income	26,290
TOTAL OPERATING REVENUES	**488,737,180**
OPERATING EXPENSES	
Cost of Electricity	318,200,921
Contract services	12,628,858
Staff compensation and benefits	11,398,208
Other operating expenses	7,398,709
Depreciation	585,714
TOTAL OPERATING EXPENSES	**350,212,410**
OPERATING INCOME(LOSS)	**138,524,770**
NONOPERATING REVENUES (EXPENSES)	
Interest Income	20,647,611
Financing costs	(13,446)
TOTAL NONOPERATING REVENUES (EXPENSES)	**20,634,165**
CHANGE IN NET POSITION	159,158,935
Net Position at beginning of period	324,535,815
Net Position at end of period	**$ 483,694,750**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2023 through August 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 496,153,265
Receipts of liquidated damages	$ 1,216,500
Receipts of security deposits	34,632,586
Other operating receipts	15,290
Payments to suppliers for electricity	(361,598,400)
Payments of security deposits	(720,000)
Payments for other goods and services	(21,043,181)
Payments for staff compensation and benefits	(11,343,235)
Tax and surcharge payments to other governments	(8,201,869)
Net cash provided (used) by operating activities	**129,110,956**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Finance costs paid	(13,446)
Net cash provided (used) by financing activities	**(13,446)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments of lease liability	(478,175)
Acquisition of capital assets	(151,584)
Net cash provided (used) by capital and related financing activities	**(629,759)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(169,009,792)
Proceeds from investment sales	53,944,611
Investment income received	19,538,403
Net cash provided (used) by investing activities	**(95,526,778)**
Net change in cash and cash equivalents	32,940,973
Cash and cash equivalents at beginning of year	230,694,505
Cash and cash equivalents at end of period	**$ 263,635,478**
Reconciliation to the Statement of Net Position	
Cash and cash equivalents (unrestricted)	$ 263,635,478
Restricted cash	0
Cash and cash equivalents	**$ 263,635,478**
NONCASH INVESTING ACTIVITIES	
Unrealized appreciation (depreciation) and timing differences in investment incom	$ 1,109,208

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)
October 1, 2023 through August 31, 2024

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

Operating Income (loss)	$ 138,524,770
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	585,714
(Increase) decrease in accounts receivable	1,043,536
(Increase) decrease in other receivables	(34,901)
(Increase) decrease in accrued revenue	(440,382)
(Increase) decrease in prepaid expenses	(1,374,811)
(Increase) decrease in current deposits	24,918,229
Increase (decrease) in accounts payable	(1,188,848)
Increase (decrease) in accrued cost of electricity	(32,366,166)
Increase (decrease) in accrued liabilities	130,760
Increase (decrease) in energy settlements payable	(1,142,671)
Increase (decrease) in taxes and surcharges due to other governments	(71,149)
Increase (decrease) in supplier security deposits	526,875
Net cash provided (used) by operating activities	**$ 129,110,956**

SILICON VALLEY CLEAN ENERGY AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2023 through August 31, 2024

	FYTD	FYTD	Variance		FY 2023-24	FY 2023-24
OPERATING REVENUES	**Actual**	**Mid-Year Budget**	**$**	**%**	**Mid-Year Budget**	**Remaining Budget**
Energy Sales	$485,113,946	$495,747,205	-$10,633,259	-2%	$550,852,000	$65,738,054
Green Prime Premium	2,305,444	1,765,883	$539,561	31%	1,962,000	(343,444)
Other Income	1,317,790	45,833	1,271,957	2775%	50,000	(1,267,790)
TOTAL OPERATING REVENUES	**488,737,180**	**497,558,921**	**(8,821,741)**	**-2%**	**552,864,000**	**64,126,820**
ENERGY EXPENSES						
Power Supply	318,200,921	324,514,916	(6,313,995)	-2%	365,617,000	47,416,079
Operating Margin	**170,536,259**	**173,044,005**	**(2,507,746)**	**-1%**	**187,247,000**	**16,710,741**
	34.9%	34.8%				
OPERATING EXPENSES						
Data Management	2,906,623	3,128,125	(221,502)	-7%	3,413,000	506,377
PG&E Fees	1,095,951	1,347,500	(251,549)	-19%	1,470,000	374,049
Salaries & Benefits	11,398,208	13,488,374	(2,090,166)	-15%	14,818,000	3,419,792
Professional Services	4,549,089	7,526,269	(2,977,180)	-40%	8,210,000	3,660,911
Marketing & Promotions	839,579	1,145,375	(305,796)	-27%	1,250,000	410,421
Notifications	171,893	288,750	(116,857)	-40%	315,000	143,107
Lease	488,760	505,313	(16,553)	-3%	551,000	62,240
General & Administrative	2,414,869	1,917,011	497,858	26%	2,091,000	(323,869)
TOTAL OPERATING EXPENSES	**23,864,972**	**29,346,717**	**(5,481,745)**	**-19%**	**32,118,000**	**8,253,028**
OPERATING INCOME/(LOSS)	**146,671,287**	**143,697,288**	**2,973,999**	**2%**	**155,129,000**	**8,457,713**
NON-OPERATING REVENUES						
Investment Income	20,647,611	11,794,994	8,852,617	75%	12,867,000	(7,780,611)
TOTAL NON-OPERATING REVENUES	**20,647,611**	**11,794,994**	**8,852,617**	**75%**	**12,867,000**	**(7,780,611)**
NON-OPERATING EXPENSES						
Financing	1,816	2,750	(934)	-34%	3,000	1,184
CAPITAL EXPENDITURES, TRANSFERS, & OTHER						
Capital Outlay	141,078	45,833	95,245	208%	50,000	(91,078)
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	(167,178)	-	(167,178)	n/a	-	167,178
Transfer from CRCR Fund - customer bill relief	(2,369,075)	-	(2,369,075)	n/a	-	2,369,075
TOTAL OTHER USES	**52,966,825**	**55,407,833**	**(2,441,008)**	**-4%**	**55,412,000**	**2,445,175**
NET INCREASE(DECREASE) IN AVAILABLE FUND BALANCE	**$114,350,257**	**$100,081,699**	**$14,268,558**	**14%**	**$112,581,000**	

SILICON VALLEY CLEAN ENERGY AUTHORITY
GENERAL PROGRAM FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2023 through August 31, 2024

REVENUE & OTHER SOURCES:	MY BUDGET	ACTUAL	MY BUDGET REMAINING	ACTUAL/ MID-YEAR 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	6,731,270	20,368,724	24.8%
Net increase (decrease) in fund balance	**$ 3,962,006**	**$24,330,730**		
Fund balance at beginning of period		56,617,120		
Fund balance at end of period		$80,947,850		

CUSTOMER RELIEF & COMMUNITY RESILIENCY FUND
BUDGETARY COMPARISON SCHEDULE*
October 1, 2023 through August 31, 2024

REVENUE & OTHER SOURCES:	MY BUDGET	ACTUAL	MY BUDGET REMAINING	ACTUAL/ MID-YEAR BUDGET
Transfer from Operating Fund	$ 4,300,000	$ 4,300,000	$ -	100.0%
EXPENDITURES & OTHER USES:				
Customer bill relief credit	4,300,000	2,369,075	1,930,925	55.1%
Other program expenditures	3,535,082	1,305,892	2,229,190	36.9%
Total Program expenditures	7,835,082	3,674,967	4,160,115	
Net increase (decrease) in fund balance	**$ (3,535,082)**	**625,033**		
Fund balance at beginning of period		5,483,032		
Fund balance at end of period		$6,108,065		

ELECTRIFICATION DISCOUNT FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2023 through August 31, 2024

REVENUE & OTHER SOURCES:	**MY BUDGET**	**ACTUAL**	**MY BUDGET REMAINING**	**ACTUAL/ MID-YEAR BUDGET**
Transfer from Operating Fund *	$ -	$ -	$ -	n/a
EXPENDITURES & OTHER USES:				
Program expenditures *	600,000	167,178	432,822	27.9%
Net increase (decrease) in fund balance	**$ (600,000)**	**(167,178)**		
Fund balance at beginning of period		9,446,460		
Fund balance at end of period		$9,279,282		

BUILDING FUND
BUDGETARY COMPARISON SCHEDULE
October 1, 2023 through August 31, 2024

REVENUE & OTHER SOURCES:	**MY BUDGET**	**ACTUAL**	**MY BUDGET REMAINING**	**ACTUAL/ MID-YEAR BUDGET**
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 August 31, 2024

Net Increase (decrease) in available fund balance per budgetary comparison schedule	$	114,350,257
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position		
Subtract depreciation expense		(585,714)
Subract program expense not in operating budget		(8,037,162)
Add back GASB 87 expenses not in operating budget		464,729
Add back transfer to Program fund		52,825,747
Add back capital asset acquisition		141,078
Change in Net Position		**159,158,935**

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2023 through August 31, 2024

	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	$ 43,545,848	$ 39,786,031	$ 36,600,812	$ 37,644,401	$ 47,725,707	$ 54,859,852	$ 58,494,451		$ 485,113,946
Green electricity premium	136,391	$ 117,438	$ 130,927	$ 144,552	$ 123,168	$ 345,167	$ 260,986	$ 282,540	$ 233,689	$ 313,223	$ 217,363		2,305,444
Liquidated damages	-	$ 75,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,216,500	$ -	$ -		1,291,500
Other Income	2,500	$ 4,974	$ 5,850	$ 5,050	$ 2,316	$ 2,500	$ 475	$ -	$ 2,625	$ -	$ -		26,290
Total operating revenues	37,831,494	39,902,964	42,103,958	47,241,110	43,671,332	40,133,698	36,862,273	37,926,941	49,178,521	55,173,075	58,711,814	-	488,737,180
OPERATING EXPENSES													
Cost of electricity	31,160,273	$ 27,896,672	$ 20,303,980	$ 32,910,813	$ 24,261,713	$ 25,544,019	$ 18,409,487	$ 30,949,780	$ 29,512,847	$ 37,430,073	$ 39,821,264		318,200,921
Staff compensation and benefits	910,013	$ 913,400	$ 1,028,282	$ 1,060,468	$ 1,036,242	$ 1,062,728	$ 1,080,587	$ 1,100,405	$ 1,012,616	$ 1,099,778	$ 1,093,689		11,398,208
Data manager	253,895	$ 253,378	$ 253,607	$ 266,090	$ 266,560	$ 267,462	$ 267,463	$ 268,287	$ 268,955	$ 270,282	$ 270,644		2,906,623
Service fees - PG&E	98,425	$ 98,101	$ 104,757	$ 98,337	$ 98,296	$ 98,780	$ 98,791	$ 102,388	$ 98,000	$ 99,343	$ 100,733		1,095,951
Consultants and other professional fees	541,215	$ 504,693	$ 660,992	$ 742,608	$ 791,882	$ 871,701	$ 921,168	$ 721,975	$ 1,058,348	$ 955,675	$ 856,027		8,626,284
Other operating expenses	420,848	$ 324,106	$ 862,366	$ 1,239,599	$ 611,097	$ 817,661	$ 646,109	$ 605,490	$ 699,548	$ 660,045	$ 511,840		7,398,709
Depreciation	49,996	$ 56,455	$ 54,023	$ 52,427	$ 52,426	$ 52,839	$ 53,377	$ 53,377	$ 53,377	$ 53,712	$ 53,705		585,714
Total operating expenses	33,434,665	30,046,805	23,268,007	36,370,342	27,118,216	28,715,190	21,476,982	33,801,702	32,703,691	40,568,908	42,707,902	-	350,212,410
Operating income (loss)	4,396,829	9,856,159	18,835,951	10,870,768	16,553,116	11,418,508	15,385,291	4,125,239	16,474,830	14,604,167	16,003,912	-	138,524,770
NONOPERATING REVENUES (EXPENSES)													
Grant income	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		-
Interest income	1,312,249	$ 2,670,244	$ 1,927,958	$ 2,151,056	$ 908,057	$ 1,644,880	$ 1,174,083	$ 1,962,201	$ 1,805,666	$ 2,735,851	$ 2,355,366		20,647,611
Financing costs	(6,183)	$ (10,369)	$ (8,950)	$ (9,232)	$ (9,082)	$ (8,625)	$ (9,051)	$ (8,763)	$ 56,777	$ (930)	$ 962		(13,446)
Total nonoperating revenues (expenses)	1,306,066	2,659,875	1,919,008	2,141,824	898,975	1,636,255	1,165,032	1,953,438	1,862,443	2,734,921	2,356,328	-	20,634,165
CHANGE IN NET POSITION	**$ 5,702,895**	**$ 12,516,034**	**$ 20,754,959**	**$ 13,012,592**	**$ 17,452,091**	**$ 13,054,763**	**$ 16,550,323**	**$ 6,078,677**	**$ 18,337,273**	**$ 17,339,088**	**$ 18,360,240**	**$ -**	**$ 159,158,935**

SILICON VALLEY CLEAN ENERGY AUTHORITY
INVESTMENTS SUMMARY
October 1, 2023 through August 31, 2024

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	$ 21,721,762	$ 26,843,555	$ 20,470,195	$ 22,637,918	$ 32,651,475	$ 33,775,796	$ 34,097,538	$ -
California Asset Management Program (CAMP)	$ 196,558,074	$ 184,428,757	$ 199,405,498	$ 232,403,050	$ 244,368,016	$ 261,500,705	$ 283,674,580	$ 240,821,584	$ 226,868,993	$ 251,939,518	$ 219,928,018	$ -
PFM Asset Management Investment Portfolio	$ 111,782,205	$ 112,312,183	$ 113,008,833	$ 113,738,828	$ 114,457,217	$ 114,334,972	$ 113,948,378	$ 165,446,465	$ 165,466,374	$ 167,452,997	$ 218,415,973	$ -
Total Ending Balance	**$ 330,688,620**	**$ 329,199,041**	**$ 358,426,829**	**$ 368,456,021**	**$ 380,546,996**	**$ 402,679,232**	**$ 418,093,153**	**$ 428,905,967**	**$ 424,986,842**	**$ 453,168,310**	**$ 472,441,529**	**$ -**

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%	3.91%	4.05%	4.18%	4.23%	4.18%	4.43%	4.53%	
California Asset Management Program (CAMP)	5.56%	5.58%	5.55%	5.54%	5.50%	5.48%	5.44%	5.43%	5.43%	5.43%	5.41%	
PFM Asset Management Investment Portfolio	5.41%	5.42%	5.40%	5.31%	5.28%	5.24%	5.23%	5.19%	5.16%	5.14%	4.89%	
Average Return On Investments:	**5.37%**	**5.33%**	**5.27%**	**5.37%**	**5.34%**	**5.32%**	**5.32%**	**5.27%**	**5.23%**	**5.25%**	**5.11%**	

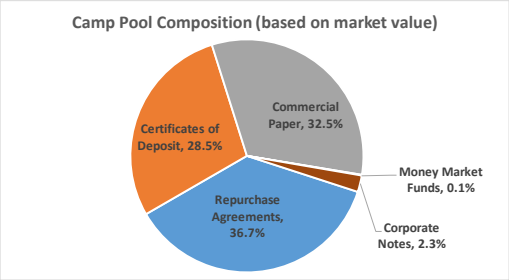
Interest Earned	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
River City Bank Accounts	$ 9,534	$ 9,534	$ 11,867	$ 17,766	$ 6,667	$ 11,034	$ 12,990	$ 10,887	$ 5,199	$ 18,019	$ 18,458	$ -
California Asset Management Program (CAMP)	$ 830,321	$ 870,683	$ 976,741	$ 997,552	$ 964,966	$ 1,132,689	$ 1,173,875	$ 1,147,004	$ 1,047,409	$ 1,070,525	$ 988,500	$ -
PFM Asset Management Investment Portfolio *	$ 1,112,927	$ 529,978	$ 696,650	$ 729,995	$ 718,389	$ (122,245)	$ (386,594)	$ 1,498,087	$ 19,909	$ 1,986,622	$ 962,976	$ -
Total Interest and Investment Gains	**$ 1,952,782**	**$ 1,410,195**	**$ 1,685,258**	**$ 1,745,313**	**$ 1,690,022**	**$ 1,021,478**	**$ 800,270**	**$ 2,655,978**	**$ 1,072,517**	**$ 3,075,167**	**$ 1,969,934**	

* Includes change in current market value, unsettled trades and accrued interest

CAMP Portfolio Statistics

As of August 31, 2024

Beginning of the Month Market Value	$ 251,939,518
Ending of The Month Market Value	$ 219,928,018
Yield at Market	5.41%
Weighted Average Maturity (days)	44

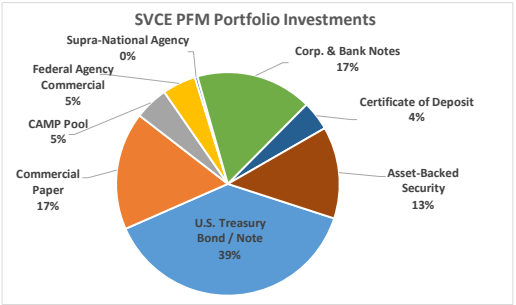


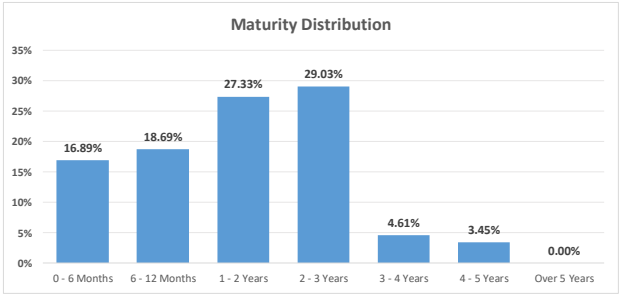
PFM Portfolio Statistics

As of August 31, 2024

Portfolio Par Value	$ 217,053,248
Portfolio Market Value (icl. Accrued Interest)	$ 218,415,973
Yield at Cost	4.89%
Yield at Market	4.49%
Benchmark Yield*	4.20%
Portfolio Effective Duration (years)	1.32
Weighted Average Maturity (days)	625

*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**	**310.1**	**317.0**	**300.6**	**309.8**	**321.5**	**365.8**	**343.9**		**3,546**
Retail Sales Budget (GWh)	**312.6**	**302.5**	**327.8**	**335.5**	**301.7**	**315.1**	**291.9**	**307.2**	**334.6**	**359.8**	**378.7**	**353.2**	**3,567**
Load deviation from the Budget	*0.0%*	*0.0%*	*0.0%*	*-0.4%*	*2.8%*	*0.6%*	*3.0%*	*0.9%*	*-3.9%*	*1.7%*	*-9.2%*		***-0.6%***
Customer Participation Rate Res	96.3%	96.3%	96.2%	96.2%	96.2%	96.2%	96.1%	96.1%	96.1%	96.1%	96.1%		
Customer Participation Rate Com	96.8%	96.7%	96.6%	96.6%	96.6%	96.6%	96.6%	96.6%	96.5%	96.5%	96.5%		
Total Accounts	278,236	278,201	278,312	278,523	278,724	279,225	279,315	279,583	279,885	280,526	280,821		**280,821**
Opt-Out Accounts	56	29	51	73	102	49	73	26	40	55	65		**619**
Opt-Up Accounts	-18	-6	-5	-25	-11	-8	-27	-2	-98	-291	-26		**-517**

Age Summary (as of 9/1/2024)

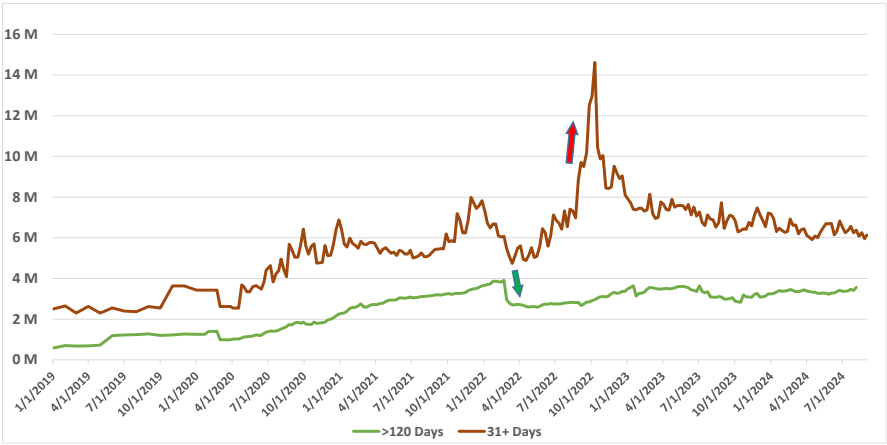
<30 days	$44,802,525
<60 days	$1,413,430
<90 days	$720,685
<120 days	$452,003
Older	$3,554,061

Accounts Receivable Days
34 Days
$50,942,704
TOTAL DUE

Bad Debt % (*Budget*)
0.75%

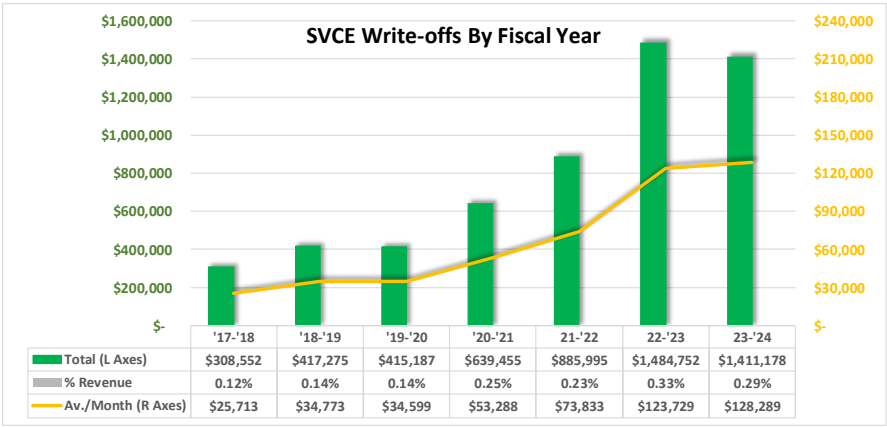
Bad Debt % (Actual)
August 2024 FYTD
0.29%

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	$6.1 M

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



Certificate of Compliance

During the reporting period for the month ended August 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 **August 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										
07/29/24	08/01/24	HONEYWELL INTERNATIONAL (CALLABLE) DTD 08/01/2024 4.650% 07/30/2027	438516CX2	485,000.00	(484,985.45)	0.00	(484,985.45)			
08/01/24	08/05/24	US TREASURY N/B DTD 07/15/2024 4.375% 07/15/2027	91282CKZ3	1,000,000.00	(1,011,484.38)	(2,496.60)	(1,013,980.98)			
08/01/24	08/05/24	US TREASURY N/B DTD 07/31/2024 4.375% 07/31/2026	91282CLB5	2,500,000.00	(2,510,937.50)	(1,486.07)	(2,512,423.57)			
08/06/24	08/09/24	TOYOTA MOTOR CREDIT CORP DTD 08/09/2024 4.550% 08/07/2026	89236TMJ1	125,000.00	(124,922.50)	0.00	(124,922.50)			
08/07/24	08/12/24	UNILEVER CAPITAL CORP (CALLABLE) DTD 08/12/2024 4.250% 08/12/2027	904764BU0	170,000.00	(169,546.10)	0.00	(169,546.10)			
08/07/24	08/13/24	BMW US CAPITAL LLC DTD 08/13/2024 4.650% 08/13/2026	05565ECP8	850,000.00	(849,983.00)	0.00	(849,983.00)			
08/09/24	08/21/24	HAROT 2024-3 A2 DTD 08/21/2024 4.890% 02/22/2027	43813YAB8	820,000.00	(819,935.79)	0.00	(819,935.79)			
08/12/24	08/14/24	ELI LILLY & CO (CALLABLE) DTD 08/14/2024 4.150% 08/14/2027	532457CP1	320,000.00	(319,740.80)	0.00	(319,740.80)			
08/12/24	08/16/24	CATERPILLAR FINL SERVICE DTD 08/16/2024 4.450% 10/16/2026	14913UAN0	295,000.00	(294,769.90)	0.00	(294,769.90)			
08/13/24	08/20/24	WOART 2024-C A2A DTD 08/20/2024 4.780% 01/18/2028	98164NAB1	1,030,000.00	(1,029,978.06)	0.00	(1,029,978.06)			
08/14/24	08/15/24	US TREASURY N/B DTD 03/15/2024 4.250% 03/15/2027	91282CKE0	5,000,000.00	(5,054,101.56)	(88,349.18)	(5,142,450.74)			
08/14/24	08/15/24	US TREASURY N/B DTD 07/31/2024 4.375% 07/31/2026	91282CLB5	5,000,000.00	(5,039,257.81)	(8,916.44)	(5,048,174.25)			
08/14/24	08/15/24	US TREASURY N/B DTD 11/15/2022 4.500% 11/15/2025	91282CFW6	5,000,000.00	(5,014,453.13)	(56,250.00)	(5,070,703.13)			
08/14/24	08/15/24	US TREASURY N/B DTD 08/15/2024 3.750% 08/15/2027	91282CLG4	1,500,000.00	(1,499,648.44)	0.00	(1,499,648.44)			
08/16/24	08/19/24	BNP PARIBAS NY BRANCH DTD 02/09/2024 0.000% 05/13/2025	09659BSD3	3,000,000.00	(2,895,425.00)	0.00	(2,895,425.00)			
08/16/24	08/19/24	MUFG BANK LTD/NY DTD 08/16/2024 0.000% 05/13/2025	62479LSD8	4,000,000.00	(3,859,973.33)	0.00	(3,859,973.33)			

Managed Account Security Transactions & Interest

For the Month Ending **August 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										
08/16/24	08/21/24	FHMS K063 A2 FLOATING DTD 03/01/2017 3.430% 01/01/2027	3137BVZ82	2,225,000.00	(2,176,849.61)	(4,239.86)	(2,181,089.47)			
08/26/24	08/27/24	JPMORGAN CHASE & CO (CALLABLE) DTD 04/22/2021 1.578% 04/22/2027	46647PCB0	850,000.00	(808,936.50)	(4,657.29)	(813,593.79)			
08/26/24	08/27/24	GOLDMAN SACHS GROUP INC (CALLABLE) DTD 01/26/2017 3.850% 01/26/2027	38141GWB6	850,000.00	(838,788.50)	(2,817.99)	(841,606.49)			
08/26/24	08/27/24	BANK OF NY MELLON CORP (CALLABLE) DTD 01/26/2022 2.050% 01/26/2027	06406RBA4	1,250,000.00	(1,190,737.50)	(2,206.60)	(1,192,944.10)			
08/26/24	08/27/24	CREDIT AGRICOLE CIB NY DTD 08/26/2024 0.000% 05/23/2025	22533TSP2	4,000,000.00	(3,861,913.33)	0.00	(3,861,913.33)			
08/29/24	08/30/24	CITIGROUP INC (CALLABLE) DTD 10/21/2016 3.200% 10/21/2026	172967KY6	750,000.00	(730,215.00)	(8,600.00)	(738,815.00)			
08/29/24	08/30/24	NATIXIS NY BRANCH DTD 08/27/2024 0.000% 05/23/2025	63873JSP6	2,500,000.00	(2,416,320.83)	0.00	(2,416,320.83)			
08/29/24	08/30/24	MORGAN STANLEY DTD 07/25/2016 3.125% 07/27/2026	61761J3R8	900,000.00	(878,328.00)	(2,578.13)	(880,906.13)			
08/29/24	08/30/24	BARCLAYS CAPITAL INC DTD 05/02/2024 0.000% 05/01/2025	06743US11	2,500,000.00	(2,419,852.78)	0.00	(2,419,852.78)			
08/29/24	08/30/24	BANK OF AMERICA CORP (CALLABLE) DTD 10/21/2016 3.248% 10/21/2027	06051GGA1	1,750,000.00	(1,698,567.50)	(20,367.67)	(1,718,935.17)			
Transaction Type Sub-Total				**48,670,000.00**	**(47,999,652.30)**	**(202,965.83)**	**(48,202,618.13)**			
INTEREST										
08/01/24	08/01/24	INTER-AMERICAN DEVEL BK DTD 12/12/2023 4.375% 02/01/2027	4581X0EM6		0.00	18,593.75	18,593.75			
08/01/24	08/25/24	FHMS K068 A2 DTD 10/01/2017 3.244% 08/01/2027	3137FBBX3		0.00	2,297.83	2,297.83			
08/01/24	08/25/24	FHMS K069 A2 FLOATING DTD 11/01/2017 3.187% 09/01/2027	3137FBU79		0.00	1,991.17	1,991.17			
08/01/24	08/25/24	FHMS K057 A2 DTD 09/01/2016 2.570% 07/01/2026	3137BRQJ7		0.00	2,516.46	2,516.46			

Managed Account Security Transactions & Interest

For the Month Ending **August 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										
08/01/24	08/25/24	FHMS K054 A2 DTD 04/01/2016 2.745% 01/01/2026	3137BNGT5		0.00	2,516.25	2,516.25			
08/01/24	08/25/24	FHMS K058 A1 DTD 11/01/2016 2.340% 07/01/2026	3137BSP64		0.00	781.60	781.60			
08/01/24	08/25/24	FHMS K737 A2 DTD 01/01/2020 2.525% 10/01/2026	3137FQXJ7		0.00	2,209.38	2,209.38			
08/01/24	08/25/24	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36		0.00	1,506.29	1,506.29			
08/01/24	08/25/24	FHMS K059 A2 FLOATING DTD 11/01/2016 3.120% 09/01/2026	3137BSRE5		0.00	1,820.00	1,820.00			
08/01/24	08/25/24	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJXQ7		0.00	1,671.12	1,671.12			
08/01/24	08/25/24	FHMS K736 A2 DTD 09/01/2019 2.282% 07/01/2026	3137FNWX4		0.00	1,426.25	1,426.25			
08/01/24	08/25/24	FNA 2015-M11 A2 FLOATING DTD 07/01/2015 2.944% 04/01/2025	3136APSZ6		0.00	1,586.69	1,586.69			
08/03/24	08/03/24	STATE STREET CORP (CALLABLE) DTD 08/03/2023 5.272% 08/03/2026	857477CD3		0.00	10,544.00	10,544.00			
08/05/24	08/05/24	NATIONAL RURAL UTIL COOP (CALLABLE) DTD 02/05/2024 4.800% 02/05/2027	63743HFM9		0.00	12,000.00	12,000.00			
08/08/24	08/08/24	TEXAS INSTRUMENTS INC (CALLABLE) DTD 02/08/2024 4.600% 02/08/2027	882508CE2		0.00	11,500.00	11,500.00			
08/09/24	08/09/24	ELI LILLY & CO (CALLABLE) DTD 02/09/2024 4.500% 02/09/2027	532457CJ5		0.00	12,487.50	12,487.50			
08/11/24	08/11/24	BMW US CAPITAL LLC DTD 08/11/2023 5.300% 08/11/2025	05565ECC7		0.00	13,250.00	13,250.00			
08/15/24	08/15/24	FORDO 2024-A A2A DTD 03/19/2024 5.320% 01/15/2027	34535EAB8		0.00	1,817.67	1,817.67			
08/15/24	08/15/24	KCOT 2024-2A A2 DTD 06/25/2024 5.450% 04/15/2027	50117DAB2		0.00	1,362.50	1,362.50			
08/15/24	08/15/24	CHAIT 2023-A1 A DTD 09/15/2023 5.160% 09/15/2028	161571HT4		0.00	3,461.50	3,461.50			

Managed Account Security Transactions & Interest

For the Month Ending **August 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										
08/15/24	08/15/24	COPAR 2023-2 A2A DTD 10/11/2023 5.910% 10/15/2026	14044EAB4		0.00	4,006.11	4,006.11			
08/15/24	08/15/24	WOART 2024-A A2A DTD 02/14/2024 5.050% 04/15/2027	98164RAB2		0.00	1,536.04	1,536.04			
08/15/24	08/15/24	BACCT 2024-A1 A DTD 06/13/2024 4.930% 05/15/2029	05522RDJ4		0.00	4,231.58	4,231.58			
08/15/24	08/15/24	TAOT 2024-C A2A DTD 07/30/2024 5.160% 05/17/2027	89237QAB6		0.00	720.25	720.25			
08/15/24	08/15/24	USAOT 2024-A A2 DTD 07/30/2024 5.250% 03/15/2027	90327VAB4		0.00	2,493.75	2,493.75			
08/15/24	08/15/24	ALLYA 2023-1 A3 DTD 07/19/2023 5.460% 05/15/2028	02007WAC2		0.00	2,275.00	2,275.00			
08/15/24	08/15/24	FORDO 2023-C A3 DTD 11/21/2023 5.530% 09/15/2028	344940AD3		0.00	1,566.83	1,566.83			
08/15/24	08/15/24	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5		0.00	1,340.38	1,340.38			
08/15/24	08/15/24	FORDO 2024-B A2A DTD 06/24/2024 5.400% 04/15/2027	34531QAB5		0.00	7,425.00	7,425.00			
08/15/24	08/15/24	HART 2023-C A2A DTD 11/13/2023 5.800% 01/15/2027	44918CAB8		0.00	2,635.48	2,635.48			
08/15/24	08/15/24	AMXCA 2023-3 A DTD 09/19/2023 5.230% 09/15/2028	02582JKD1		0.00	3,595.63	3,595.63			
08/15/24	08/15/24	CHAIT 2024-A1 A DTD 01/31/2024 4.600% 01/16/2029	161571HV9		0.00	2,664.17	2,664.17			
08/15/24	08/15/24	HART 2024-B A2A DTD 07/24/2024 5.150% 06/15/2027	44934QAB7		0.00	1,682.33	1,682.33			
08/15/24	08/15/24	ALLYA 2024-1 A3 DTD 03/13/2024 5.080% 12/15/2028	02008FAC8		0.00	1,629.83	1,629.83			
08/15/24	08/15/24	BAAT 2023-2A A3 DTD 11/21/2023 5.740% 06/15/2028	06054YAC1		0.00	4,018.00	4,018.00			
08/15/24	08/15/24	TAOT 2024-B A2A DTD 04/30/2024 5.410% 03/15/2027	89237NAB3		0.00	2,772.63	2,772.63			
08/15/24	08/15/24	US TREASURY N/B DTD 08/15/2023 4.375% 08/15/2026	91282CHU8		0.00	54,687.50	54,687.50			

Managed Account Security Transactions & Interest

For the Month Ending **August 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										
08/15/24	08/15/24	WFCIT 2024-A1 A DTD 03/01/2024 4.940% 02/15/2029	92970QAA3		0.00	3,807.92	3,807.92			
08/15/24	08/15/24	NAROT 2024-A A2A DTD 05/22/2024 5.470% 12/15/2026	65479UAB4		0.00	3,008.50	3,008.50			
08/15/24	08/15/24	KCOT 2024-1A A2 DTD 02/21/2024 5.390% 01/15/2027	50117BAB6		0.00	3,728.08	3,728.08			
08/15/24	08/15/24	BACCT 2023-A2 A2 DTD 12/14/2023 4.980% 11/15/2028	05522RDH8		0.00	1,473.25	1,473.25			
08/15/24	08/15/24	HDMOT 2023-B A3 DTD 09/27/2023 5.690% 08/15/2028	41285YAC9		0.00	4,433.46	4,433.46			
08/15/24	08/15/24	WOART 2023-D A2A DTD 11/08/2023 5.910% 02/16/2027	98164DAB3		0.00	1,441.67	1,441.67			
08/15/24	08/15/24	BAAT 2024-1A A3 DTD 05/22/2024 5.350% 11/15/2028	09709AAC6		0.00	557.29	557.29			
08/15/24	08/15/24	MBART 2023-2 A2 DTD 10/25/2023 5.920% 11/16/2026	58769FAB1		0.00	1,211.20	1,211.20			
08/15/24	08/15/24	US TREASURY N/B DTD 02/15/2023 4.000% 02/15/2026	91282CGL9		0.00	85,500.00	85,500.00			
08/15/24	08/15/24	TAOT 2023-D A3 DTD 11/14/2023 5.540% 08/15/2028	89239FAD4		0.00	1,108.00	1,108.00			
08/15/24	08/15/24	NAROT 2023-B A2A DTD 10/25/2023 5.950% 05/15/2026	65480MAB9		0.00	4,209.04	4,209.04			
08/15/24	08/15/24	WOART 2024-B A2A DTD 05/22/2024 5.480% 09/15/2027	98164HAB4		0.00	1,940.83	1,940.83			
08/15/24	08/15/24	HAROT 2024-1 A2 DTD 02/21/2024 5.360% 09/15/2026	437918AB1		0.00	4,913.33	4,913.33			
08/15/24	08/15/24	AMXCA 2024-1 A DTD 04/23/2024 5.230% 04/16/2029	02582JKH2		0.00	3,116.21	3,116.21			
08/15/24	08/15/24	HART 2022-C A3 DTD 11/09/2022 5.390% 06/15/2027	44933DAD3		0.00	2,470.42	2,470.42			
08/15/24	08/15/24	TAOT 2024-A A3 DTD 01/30/2024 4.830% 10/16/2028	89238DAD0		0.00	1,348.38	1,348.38			
08/16/24	08/16/24	GMCAR 2024-1 A3 DTD 01/17/2024 4.850% 12/18/2028	36268GAD7		0.00	444.58	444.58			

Managed Account Security Transactions & Interest

For the Month Ending **August 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										
08/16/24	08/16/24	GMCAR 2023-4 A3 DTD 10/11/2023 5.780% 08/16/2028	379930AD2		0.00	2,263.83	2,263.83			
08/16/24	08/16/24	GMCAR 2024-2 A2A DTD 04/10/2024 5.330% 03/16/2027	379931AB4		0.00	1,177.04	1,177.04			
08/16/24	08/16/24	GMCAR 2024-3 A2A DTD 07/10/2024 5.350% 06/16/2027	38013KAB6		0.00	3,798.50	3,798.50			
08/18/24	08/18/24	BANK OF AMERICA NA (CALLABLE) DTD 08/18/2023 5.650% 08/18/2025	06428CAC8		0.00	24,012.50	24,012.50			
08/18/24	08/18/24	MORGAN STANLEY (CALLABLE) DTD 02/18/2022 2.630% 02/18/2026	61747YEM3		0.00	5,260.00	5,260.00			
08/20/24	08/20/24	BRISTOL-MYERS SQUIBB CO DTD 02/22/2024 4.950% 02/20/2026	110122ED6		0.00	5,629.25	5,629.25			
08/20/24	08/20/24	VALET 2023-2 A2A DTD 11/21/2023 5.720% 03/22/2027	92867YAB0		0.00	2,128.32	2,128.32			
08/21/24	08/21/24	HAROT 2023-4 A3 DTD 11/08/2023 5.670% 06/21/2028	438123AC5		0.00	921.38	921.38			
08/22/24	08/22/24	PFAST 2023-2A A2A DTD 11/10/2023 5.880% 11/23/2026	732916AB7		0.00	3,178.51	3,178.51			
08/22/24	08/22/24	AMAZON.COM INC (CALLABLE) DTD 06/06/2018 3.150% 08/22/2027	023135BC9		0.00	9,450.00	9,450.00			
08/25/24	08/25/24	CHAOT 2024-4A A2 DTD 07/30/2024 5.250% 09/27/2027	16144YAB4		0.00	1,895.83	1,895.83			
08/25/24	08/25/24	CHAOT 2024-1A A2 DTD 03/27/2024 5.480% 04/26/2027	16144BAB4		0.00	936.89	936.89			
08/25/24	08/25/24	GOLDMAN SACHS GROUP INC (CALLABLE) DTD 02/25/2016 3.750% 02/25/2026	38143U8H7		0.00	7,500.00	7,500.00			
08/25/24	08/25/24	BMWOT 2024-A A3 DTD 06/11/2024 5.180% 02/26/2029	096919AD7		0.00	3,086.42	3,086.42			
08/25/24	08/25/24	CHAOT 2024-3A A2 DTD 06/27/2024 5.530% 09/27/2027	16144LAB2		0.00	3,732.75	3,732.75			
08/25/24	08/25/24	CHAOT 2024-2A A2 DTD 04/25/2024 5.660% 05/26/2027	16144CAB2		0.00	3,490.33	3,490.33			

Managed Account Security Transactions & Interest

For the Month Ending **August 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											
	08/26/24	08/26/24	CISCO SYSTEMS INC DTD 02/26/2024 4.900% 02/26/2026	17275RBP6		0.00	8,452.50	8,452.50			
	08/26/24	08/26/24	ASTRAZENECA FINANCE LLC (CALLABLE) DTD 02/26/2024 4.800% 02/26/2027	04636NAK9		0.00	9,480.00	9,480.00			
	08/31/24	08/31/24	US TREASURY N/B DTD 08/31/2023 5.000% 08/31/2025	91282CHV6		0.00	150,000.00	150,000.00			
Transaction Type Sub-Total						**0.00**	**575,726.68**	**575,726.68**			
MATURITY											
	08/02/24	08/02/24	ROYAL BANK OF CANADA NY COMM PAPER DTD 11/07/2023 0.000% 08/02/2024	78015CH21	2,000,000.00	2,000,000.00	0.00	2,000,000.00	81,880.00	0.00	
	08/16/24	08/16/24	BANK OF MONTREAL CHICAGO DTD 08/18/2023 5.970% 08/16/2024	06367DC60	2,200,000.00	2,200,000.00	132,799.33	2,332,799.33	0.00	0.00	
Transaction Type Sub-Total					**4,200,000.00**	**4,200,000.00**	**132,799.33**	**4,332,799.33**	**81,880.00**	**0.00**	
PAYDOWNS											
	08/01/24	08/25/24	FHMS K733 A2 DTD 11/01/2018 3.750% 08/01/2025	3137FJXQ7	239.56	239.56	0.00	239.56	7.88	0.00	
	08/01/24	08/25/24	FNA 2015-M11 A2 FLOATING DTD 07/01/2015 2.944% 04/01/2025	3136APSZ6	1,046.14	1,046.14	0.00	1,046.14	40.91	0.00	
	08/01/24	08/25/24	FHMS K058 A1 DTD 11/01/2016 2.340% 07/01/2026	3137BSP64	13,345.75	13,345.75	0.00	13,345.75	683.97	467.77	
	08/01/24	08/25/24	FHMS K069 A2 FLOATING DTD 11/01/2017 3.187% 09/01/2027	3137FBU79	1,180.81	1,180.81	0.00	1,180.81	57.10	55.31	
	08/01/24	08/25/24	FHMS K065 A1 DTD 07/01/2017 2.864% 10/01/2026	3137F1G36	21,460.14	21,460.14	0.00	21,460.14	926.31	704.19	
	08/15/24	08/15/24	WOART 2024-A A2A DTD 02/14/2024 5.050% 04/15/2027	98164RAB2	24,025.94	24,025.94	0.00	24,025.94	1.88	0.00	
	08/15/24	08/15/24	MBART 2023-2 A2 DTD 10/25/2023 5.920% 11/16/2026	58769FAB1	25,923.10	25,923.10	0.00	25,923.10	1.16	0.00	

Managed Account Security Transactions & Interest

For the Month Ending **August 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
PAYDOWNS										
08/15/24	08/15/24	COPAR 2023-2 A2A DTD 10/11/2023 5.910% 10/15/2026	14044EAB4	78,121.45	78,121.45	0.00	78,121.45	6.90	0.00	
08/15/24	08/15/24	CARMX 2022-2 A3 DTD 04/28/2022 3.490% 02/16/2027	14317HAC5	33,799.95	33,799.95	0.00	33,799.95	878.01	0.00	
08/15/24	08/15/24	NAROT 2023-B A2A DTD 10/25/2023 5.950% 05/15/2026	65480MAB9	87,867.02	87,867.02	0.00	87,867.02	1.29	0.00	
08/15/24	08/15/24	WOART 2023-D A2A DTD 11/08/2023 5.910% 02/16/2027	98164DAB3	26,433.86	26,433.86	0.00	26,433.86	2.23	0.00	
08/15/24	08/15/24	HART 2023-C A2A DTD 11/13/2023 5.800% 01/15/2027	44918CAB8	44,405.65	44,405.65	0.00	44,405.65	2.08	0.00	
08/20/24	08/20/24	VALET 2023-2 A2A DTD 11/21/2023 5.720% 03/22/2027	92867YAB0	33,097.11	33,097.11	0.00	33,097.11	1.93	0.00	
08/22/24	08/22/24	PFAST 2023-2A A2A DTD 11/10/2023 5.880% 11/23/2026	732916AB7	101,647.43	101,647.43	0.00	101,647.43	3.12	0.00	
08/25/24	08/25/24	CHAOT 2024-2A A2 DTD 04/25/2024 5.660% 05/26/2027	16144CAB2	29,737.55	29,737.55	0.00	29,737.55	1.07	1.07	
08/25/24	08/25/24	CHAOT 2024-1A A2 DTD 03/27/2024 5.480% 04/26/2027	16144BAB4	17,571.02	17,571.02	0.00	17,571.02	1.48	1.27	
Transaction Type Sub-Total				**539,902.48**	**539,902.48**	**0.00**	**539,902.48**	**2,617.32**	**1,229.61**	
SELL										
07/30/24	08/01/24	US TREASURY N/B DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	125,000.00	124,692.38	952.87	125,645.25	1,030.27	62.83	FIFO
08/01/24	08/05/24	US TREASURY N/B DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	1,500,000.00	1,496,542.97	12,172.13	1,508,715.10	12,597.66	841.37	FIFO
08/07/24	08/09/24	US TREASURY N/B DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	100,000.00	99,796.88	860.66	100,657.54	867.19	73.64	FIFO
08/12/24	08/12/24	US TREASURY N/B DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	150,000.00	149,701.17	1,346.31	151,047.48	1,306.64	105.29	FIFO
08/12/24	08/13/24	US TREASURY N/B DTD 11/30/2022 4.500% 11/30/2024	91282CFX4	150,000.00	149,707.03	1,364.75	151,071.78	1,312.50	107.48	FIFO
08/12/24	08/13/24	US TREASURY N/B DTD 05/31/2023 4.250% 05/31/2025	91282CHD6	700,000.00	697,648.44	6,015.03	703,663.47	7,765.63	2,234.27	FIFO

Managed Account Security Transactions & Interest

For the Month Ending **August 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										
08/12/24	08/14/24	US TREASURY N/B DTD 05/31/2023 4.250% 05/31/2025	91282CHD6	325,000.00	323,971.68	2,830.43	326,802.11	3,668.95	1,093.50	FIFO
Transaction Type Sub-Total				**3,050,000.00**	**3,042,060.55**	**25,542.18**	**3,067,602.73**	**28,548.84**	**4,518.38**	
Managed Account Sub-Total					**(40,217,689.27)**	**531,102.36**	**(39,686,586.91)**	**113,046.16**	**5,747.99**	
Total Security Transactions					**($40,217,689.27)**	**$531,102.36**	**($39,686,586.91)**	**$113,046.16**	**$5,747.99**	

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1c

Item 1c:	**Adopt Resolution Supporting Proposition 4 on the November 5, 2024 California State Ballot**
From:	Monica Padilla, CEO
Prepared by:	Bena Chang, Director of Government and Legislative Affairs Elisabeth Floyd, Government and Legislative Affairs Intern
Date:	10/9/2024

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) adopt Resolution 2024-14, to support Proposition 4, the Climate Bond, on the November 5, 2024 statewide ballot. If passed by voters, Proposition 4 will authorize the state to issue a $10 billion bond repaid over 40 years to fund several climate-related initiatives including water, wildfire, and energy.

BACKGROUND

In July of 2024, the state legislature passed, and the Governor signed SB 867 (Allen) which puts Proposition 4 on the statewide ballot for November 5, 2024. Proposition 4 builds upon funding that came from a previous bond act in 2018 and includes investments in wildfire and forest resilience, extreme heat mitigation, climate-smart agricultural practices, and clean air programs. Proposition 4 authorizes the state to issue $10 billion in bonds to fund the following categories:

Program	Amount
Drought, floods, and water supply	$3.8 billion
Forest health and wildfire safety	$1.5 billion
Sea-level rise and coastal resilience	$1.2 billion
Natural land protection and restoration	$1.2 billion
Energy infrastructure	$850 million
State and local parks	$700 million
Extreme heat mitigation	$450 million
Farms and agriculture	$300 million

Recognizing the disproportionate impacts of climate change across communities, the legislature also included a requirement that 50% of all funds in Proposition 4 be allocated to projects benefitting vulnerable or disadvantaged communities.

The Legislative Analyst's Office estimates that the cost of the bond would be $400 million a year for 40 years. This represents roughly half of 1% of the state's General Fund, which would make payments on the bond.

Agenda Item: 1c **Agenda Date: 10/9/2024**

ANALYSIS & DISCUSSION

Proposition 4 includes several categories of funding from the Climate Bond that go towards projects of interest to SVCE.

Transmission – Proposition 4 allocates $325 million to clean energy transmission projects to help reduce or offset ratepayer costs. Priority criteria for the selection of projects includes reducing the risk of wildfire, reducing reliance on fossil fuel plants in disadvantaged communities, and reducing rate pressures. The funding would be appropriated to entities such as the California Infrastructure and Economic Development Bank and the State Energy Resources Conservation and Development Commission for implementation.

Long-Duration Energy Storage Program – Proposition 4 allocates $50 million to projects that support the Long-Duration Energy Storage Program including battery storage projects, zero-emissions distributed energy backup assets, virtual power plants, and demand side grid support.

Offshore Wind Generation – Proposition 4 allocates $475 million to activities related to the development of offshore wind generation including the construction of facilities that manufacture parts related to building and integrating offshore wind generation, modifications to public port infrastructure to accommodate vessels needed for offshore wind generation, and more.

Community Resiliency Grants – Proposition 4 allocates $60 million to the Office of Emergency Services and the Strategic Growth Council to fund competitive grants for zero-emission backup power, drinking water, clean air, cooling, shelter, and telecommunications services at local community resilience centers.

Utility Wildfire Mitigation – Proposition 4 includes $35 million to reduce wildfire risks related to electricity transmission. The portion of wildfire mitigation projects that the bond funds cannot be recovered by ratepayers or generate a return on equity for the utility.

STRATEGIC PLAN

Supporting Proposition 4 would align with SVCE's Strategic Plan Goal 1 to "advance policies which support SVCE's mission to reduce dependence on fossil fuels."

ALTERNATIVE

The Board could choose to not support Proposition 4.

FISCAL IMPACT

Although the proposed bond would not secure funding directly for any of SVCE's programs, the programs that would receive funding would reduce costs for grid build out and support SVCE's decarbonization mission. SVCE's member agencies may also be able to apply and secure funding for competitive grants funded by the bond including Community Resiliency Grants and new park build-out and existing park improvements.

ATTACHMENTS

1. Resolution 2024-14 Supporting Proposition 4 On The Statewide November 5, 2024 Ballot To Authorize The State to Issue A $10 billion Bond for Safe Drinking Water, Wildfire Prevention, and Protecting Communities and Natural Lands from Climate Risks

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2024-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY SUPPORTING PROPOSITION 4 ON THE STATEWIDE NOVEMBER 5, 2024 BALLOT TO AUTHORIZE THE STATE TO ISSUE A $10 BILLION BOND FOR SAFE DRINKING WATER, WILDFIRE PREVENTION, AND PROTECTING COMMUNITIES AND NATURAL LANDS FROM CLIMATE RISKS

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

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

WHEREAS, the Board adopted the 2024 Legislative Policy Platform that includes supporting affordable rates, advancing transmission infrastructure that enables the transition to a cleaner, decarbonized electric grid, and prioritizing equity by investing in low-income and historically disadvantaged communities;

WHEREAS, Proposition 4 includes multiple investments including transmission, Long-Duration Storage, port and manufacturing infrastructure to support California offshore wind, community resiliency grants, and utility wildfire risk mitigation;

WHEREAS, if voters pass Proposition 4, the state would be authorized to issue a $10 billion bond to be repaid in 40 years to fund climate related initiatives;

WHEREAS, Funding from Proposition 4 in these areas can help support Silicon Valley Clean Energy's mission to reduce dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community;

NOW, THEREFORE, the Board of Directors of the Silicon Valley Clean Energy Authority does hereby declare its support for Proposition 4 on the statewide November 5, 2024 ballot.

PASSED AND ADOPTED this 9th day of October 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				

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
Town of Los Altos Hills	Director Tyson				
Town of Los Gatos	Director Rennie				
City of Milpitas	Director Chua				
City of Monte Sereno	Director Mekechuk				
City of Morgan Hill	Director Martinez Beltran				
City of Mountain View	Director Showalter				
County of Santa Clara	Director Lee				
City of Saratoga	Director Walia				
City of Sunnyvale	Director Klein				

_____

Chair

ATTEST:

_____

Andrea Pizano, Board Clerk

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1d

Item 1d:	**Approve an Allocation of Program Fund Dollars of $6 million to Expand Three Decarbonization Programs and Initiatives**
From:	Monica Padilla, CEO
Prepared by:	Justin Zagunis, Director of Decarbonization Programs and Policy Nupur Hiremath, Manager of Decarbonization Programs and Policy
Date:	10/9/2024

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) approve an allocation of $6 million out of the already-authorized programs funding included in the FY25 budget. These funds will be used to expand delivery of three decarbonization programs and initiatives: FutureFit Homes ($3 million), Commercial & Industrial Decarbonization ($2.5 million), and Programs Portfolio Marketing ($500 thousand).

BACKGROUND

In November 2020, the Board approved the Building Decarbonization Joint Action Plan (BDJAP), which identified FutureFit Homes as a key initiative to support the decarbonization of existing buildings. The program was designed to help SVCE customers navigate existing incentive programs, offer SVCE-specific incentives, and identify additional resources to facilitate residential electrification. Non-residential incentives were also flagged as an area to consider.

Since then, additional funding has been added to FutureFit Homes and a Commerical and Industrial (C&I) program was launched with approval by the Board. Further, in March 2024, the Board authorized additional funding out of the programs budget to be used to market the broad portfolio of customer programs and drive scaled uptake.

These programs and initiatives have already provided valuable engagement and services to SVCE's residential, commercial, and industrial customers. Background on and key impacts of these programs are in Table 1 below. These efforts need additional funding to further expand and support their impact.

Table 1. Program Background and Impact

	FutureFit Homes	C&I Decarbonization	Programs Marketing Fund
Background	• Approved in the Building Decarbonization Joint Action Plan to support residential electrification • Launched program in Nov 2022 (building on heat-pump-only programs from 2019-2022)	• In 2023, SVCE ran a pilot with one commercial customer, which generated interest from C&I customers • Launched full program in July 2024	• With the growth of the program portfolio, SVCE added staffing to support program marketing • Additional funding for program-specific marketing efforts was authorized in March 2024

	FutureFit Homes	C&I Decarbonization	Programs Marketing Fund
Objective	• Targets residential customers in single-family homes or multifamily buildings with ≤4 units • Provides rebates for heat pump water heating, space heating, prewiring, induction cooking, and removing the gas meter for fully electrified homes	• Supports energy and sustainability goals of C&I customers • Facilitates the completion of energy efficiency and emissions reduction projects • Strengthens relationships with C&I customers, who account for 55% of SVCE service area building emissions	• Supports program marketing and deployment across full SVCE programs portfolio • Complements broader SVCE outreach and engagement efforts
Current Budget	$7,057,940	$2,500,000	$500,000
Impact	• 1,304 customers served • $3.7M in rebates distributed • $1.7M in rebates currently reserved • 598 heat pump water heaters installed • 845 heat pump HVAC systems installed • 45 induction cooktops installed • 404 pre-wired circuits	• Active recruitment with 6 large C&I customers, additional outreach underway	• 10 SVCE programs supported • 591,680 emails delivered, 293,500 opened, >50% open rate • 6 ad campaigns with 18M impressions, 350,000 clicks • 417,000 website visits

ANALYSIS & DISCUSSION

The three programs and initiatives proposed for additional funding in this staff report play an essential role in SVCE's broader decarbonization efforts.

FutureFit Homes

The FutureFit Homes program has successfully incentivized numerous home electrification projects. Given the uncertainty of other incentive programs, such as the federal Inflation Reduction Act (IRA) programs, which are still under development, and regional or statewide programs, which have either been delayed or have exhausted their funds, customers have relied on FutureFit Homes rebates for electrification upgrades.

The continuity of FutureFit Homes is essential to support upcoming programs launching in late 2024-2025, all of which leverage these rebates, including:

- Full-Service Home Upgrades, a direct install program for single-family residential customers.
- On-Bill Financing Pilot, a direct install program with on-bill repayment for moderate-income single-family residential customers.
- Rock Rabbit pilot, an AI-powered mobile and web application, which allows customers and contractors to apply for multiple rebates (including SVCE's) simultaneously and, therefore, electrify faster.

Once all programs are underway, staff will continue to monitor the efficacy of incentives versus other approaches, e.g., SVCE's upcoming direct install program called Full-Service Home Upgrades, at propelling the transition away from gas appliances. Continuing to fund FutureFit Homes is critical to continuing to support the market growth of electric technologies locally in advance of upcoming Bay Area Air Quality Management District (BAAQMD) rules, which will ban gas appliances starting in 2027. SVCE staff will continue to track this

successful FutureFit Homes program and return to the Board with additional recommendations, adjustments, and budget requests as the landscape changes and more is learned.

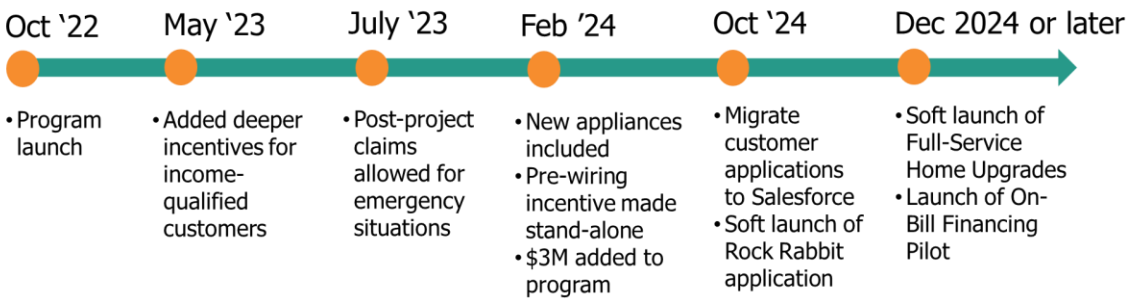


Figure 1. FutureFit Homes Program Growth and Connection to Upcoming Programs

C&I Decarbonization

In 2023, SVCE operated a small-scale C&I decarbonization pilot. Due to strong customer interest in this program model, SVCE signed a contract to expand this program to support more customers in 2024. This program offers carbon and energy management training, feasibility assessments, measurement and verification and incentives to SVCE's C&I customers. SVCE ran a competitive solicitation for an expanded program in the spring of 2024, and has contracted for services with CLEAResult. The value of the full contract awarded to the consultant, CLEAResult, for program support is $4,860,068 over 3 years, inclusive of customer incentives. Currently, this program is partially funded at $2.5 million. As indicated in the Staff Report when this contract was approved, staff has brought this program back at the start of FY25 to ensure it is fully funded with the remaining $2.5 million. Funding this program at the full level will allow the program to operate as designed, and track towards an emissions savings goal of 8,000 MTCO2.

Programs Marketing Fund

The Programs Marketing Fund has been critical to launching, deploying, and actively marketing programs to target audiences to ensure we can inspire and educate our customers so they can act on electrification. As the programs portfolio has expanded to add more programs, newer programs have greater depth (reaching new audiences including disadvantaged customers) and breadth (variety), which requires creative marketing and customer engagement. Moreover, the multitude of programs at SVCE and beyond can lead to customer confusion, so designing customer journeys in a way that ensures the simplest path for the customer from education to action is critical. Additional funding for innovative campaigns, effective marketing strategies, and comprehensive planning across the portfolio is key to ensuring program funds have a high impact in our communities. The previously approved funds allowed SVCE to dramatically increase engagement through the end of FY24, and this request for some additional funding will ensure that sufficient funds are allocated to these needs throughout FY25.

Program Allocation Request

Staff recommends allocating **$6 million** in additional funds across the three programs and initiatives, as shown in Table 2. The additional funding will ensure program continuity through the end of FY2026 at the current uptake level, and staff will revisit the funding landscape and consider what additional funds are necessary then.

Table 2. Program Budget Allocations and Anticipated Impact

	FutureFit Homes	C&I Decarbonization	Programs Marketing Fund
Current Budget	$7,057,940	$2,500,000	$500,000
Budget Remaining (as of Aug 2024)	$2,950,000	$2,480,000	$300,000
Additional Funding Allocation (requested in this report)	$3,000,000	$2,500,000	$500,000
New Budget	$10,057,000	$5,000,000	$1,000,000
Program elements covered by additional funding	• 309 heat pump water heaters • 383 heat pump HVAC systems • 11 induction cooktops • 266 pre-wired circuits	• 5-20 customers served • Programmatic services provided by CLEAResult • ~$2.5M in customer incentives • Goal of 8,000 MTCO2e	• 8 ad campaigns • 150 targeted marketing emails

Overall Budget Availability

Note that as part of the FY25 budget approval at the September 2024 Board meeting, $8.8 million was authorized to be spent on programs as part of the Programs Fund. The approval of the $6 million in this item fits within these already-authorized funds.

STRATEGIC PLAN

The programs and initiatives for which funding allocations are requested are aligned with SVCE's mission and the following 2024-2025 strategic focus areas (SFA) and Strategic Plan goals:

- SFA3: Expand Offerings to C/I Customers: Engage commercial and industrial customers in new and/or expanded SVCE offerings, including electrification and demand-side management programs, and customized generation services.
- SFA4: Prepare Region for Electrification at Scale: Inform and prepare for upcoming requirements such as Bay Area Air Quality Management District (BAAQMD) and California Air Resources Board (CARB) rules to ensure they are implemented sensibly, successfully, and equitably; and continue scaling SVCE efforts.
- Goal 7: Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions.
- Goal 8: Engage customers and community stakeholders to build trust of SVCE and advance decarbonization.

ALTERNATIVE

In the absence of additional funds, staff has considered the following options for FutureFit Homes:

1. Continue to administer the program at current incentive levels until funds are fully reserved, then close down the program.
2. Reduce incentive levels to draw out the current program funds (phase out), and continue to administer the program until funds are fully reserved before closing it down.

If additional funds are not added to the program, staff will pivot to redirecting customers to similar incentive programs offered by other regional or state programs as well as federal tax credits. Staff does not recommend closing the FutureFit Homes program down at this point given its key role in supporting SVCE's aforementioned upcoming direct install programs and in demonstrating scalability in advance of BAAQMD rules.

In the absence of additional funds for C&I Decarbonization, staff will be limited in the number of C&I customers served through the program, which could lead to slower emissions reductions in this sector. To encourage engagement with large C&I customers, staff recommends fully funding this program as originally intended.

In the absence of additional funds for the Programs Marketing Fund, staff would need to reduce overall marketing efforts, which would slow the growing momentum in SVCE's programs. Staff would look into pulling funding away from some program budgets to ensure some marketing could be funded but it would mean a lower number of customers or projects could be served from those program budgets.

FISCAL IMPACT

This recommendation to allocate $6 million to these three programs and initiatives from the Programs Fund, will have no incremental fiscal impact on SVCE's budget. The Board has already authorized a portion of revenues to be spent on programs in the FY 2024-2025 Budget approval in September 2024, and this recommendation allocates a portion of those funds to be spent on these specific efforts.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1e

Item 1e:	**Approve an Allocation of $20,000 from the Operating Budget for the Annual SVCE 2025 Youth Scholarship Competition**
From:	Monica Padilla, CEO
Prepared by:	Pamela Leonard, Deputy Director of Marking & Communications Ashlie Pak, Climate Corps Fellow
Date:	10/9/2024

RECOMMENDATION

Staff recommends the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) approve the allocation of $20,000 from the operating budget for the annual SVCE 2025 Youth Scholarship Competition.

BACKGROUND

SVCE holds an annual scholarship competition to engage local youth in climate solutions to benefit their community. In previous years, SVCE hosted a competition that challenged high school students in the SVCE service area to engineer an electric bike, encouraging the exploration of electrification and innovation. However, due to the COVID-19 pandemic, this transitioned to a virtual short-film competition seeking to empower local middle and high school students to address climate change and solutions through video. Due to the scholarship competition's continued success, SVCE proposes to host a competition in 2025 to grow its diverse student involvement, accessibility, and wide range of skills and interests.

ANALYSIS & DISCUSSION

Middle and high school students in the SVCE service area, as individuals or small teams, will submit a project depicting a community-driven solution to the impacts of climate change. With this competition, students will be introduced to or familiarized with concepts of electrification, and SVCE will have more visibility into our communities' strengths and contributions toward addressing climate change from the lens of our youth.

The proposed Youth Scholarship Competition will be held from January to May 2025. The competition will begin with staff introducing participants to the SVCE mission. At the competition's close, a panel of judges will select main prize and honorable mention winners. Submissions will be showcased on the SVCE website and promoted through social media channels.

Staff recommends an allocation of $20,000 for scholarships under this program. The competition will designate four categories with one main prize of $3,000 each to distribute the award more equitably and recognize the diverse skillsets and interests of participants. Each category will have one honorable mention awarded a $2,000 prize, further distributing the award across a greater number of submissions. These scholarship prize amounts have been successful in incentivizing student participation and acknowledging the time and creative effort spent on developing projects.

The scholarship competition is a great opportunity to communicate SVCE's dedication to reinvesting in the communities it serves. Furthermore, it serves to empower local youth to grow their involvement in the climate crisis and explore climate solutions to support their community.

Agenda Item: 1e **Agenda Date: 10/9/2024**

STRATEGIC PLAN

The scholarship competition aligns with customer and community goals in the SVCE board-adopted Strategic Plan, specifically with Goal 7: Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions. The scholarship also aligns with Goal 8: Engage customers and community stakeholders to build trust of SVCE and advance decarbonization.

ALTERNATIVE

SVCE seeks the approval of a general allocation of $20,000 for a 2025 scholarship program. If the Youth Scholarship Competition is not approved by the SVCE Board for 2025, staff will explore other prize options, modify award categories, or explore alternative ideas.

FISCAL IMPACT

There is no incremental fiscal impact. The $20,000 in scholarship funds will be allocated from the board-approved Fiscal Year 2024-2025 operating budget.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 1f

Item 1f:	**California Community Power Report**
To:	Silicon Valley Clean Energy Board of Directors
From:	Monica Padilla, CEO
Date:	10/9/2024

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.

There is no report this month as the regularly scheduled meeting on September 18, 2024 was adjourned.

The next meeting of the board will be October 16, 2024 at 1:00 p.m.; meeting materials can be found on the CC Power website: https://cacommunitypower.org/meetings/

Staff Report – Item 1g

Item 1g:	**Additional Committee Reports**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Andrea Pizano, Sr. Executive Assistant and Board Clerk
Date:	10/9/2024

There are no reports for the Executive Committee, Finance and Administration Committee, Audit Committee, and 2024 Legislative Ad Hoc Committee as they have not met since the last report.

The next meeting of the Executive Committee is scheduled for October 25, 2024 at 10:00am; the Finance and Administration Committee will meet in November based on member availability, and the Audit Committee and the 2024 Legislative Ad Hoc Committee will meet later this month.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 2

Item 2:	**CEO Report**
To:	Silicon Valley Clean Energy Board of Directors
Prepared by:	Monica Padilla, CEO
Date:	10/9/2024

REPORT

Staff Updates

Nalini Pillay joined SVCE as a Deputy Board Clerk/Administrative Assistant on September 23, 2024. She recently served as Deputy Board Clerk for Santa Clara County, Board of Supervisors, working with elected officials, Boards and Commissions teams and local government agencies. Nalini holds a Master in Public Administration with a concentration in Public Policy and Governance, and a Bachelor of Arts in Communication Studies from San Jose State University.

Personnel Officer Update

Recruitment efforts continue for a Power Settlements Planner or Manager in the Power Resources and Operations Department, and an IT Analyst and a Human Resources Administrative Assistant in the Finance and Administration Department.

Job descriptions and applications can be found on SVCE's website: Current Job Openings

Organizational Realignment

As staff developed the Strategic Focus Areas and Strategic Plan for FY 24/25, it became apparent there has been an increase in cross-collaboration with all departments and work identified that didn't fit within SVCE's existing department structure. Further, with the advent of several program and rate initiatives focused around building a portfolio of distributed energy resources - including dynamic rates, demand flexibility, and virtual power plants, increased collaboration between departments to analyze, plan and advocate for sound programs and policies is necessary. As such, the senior leadership team met various times throughout the spring and summer months to discuss and propose a realignment of teams in support the following objectives:

- Improving effectiveness in meeting Strategic Focus Areas, Goals and SVCE's mission;
- Creating growth opportunities for individuals with clear career paths;
- Grouping skills where most needed to support the organization and prioritize work;
- Defining clear roles, responsibilities and accountability; and
- Promoting collaboration and preventing silos.

The organizational changes are in effect and include: 1) consolidated energy services, customer relations, marketing and programs under one department, and 2) created a new function responsible for governance and management of data and models/systems and enhanced analytical support. The realignment was discussed and communicated with staff, most recently at SVCE's in-person staff retreat in September. SVCE has been focused on integrating new team members along with roles and functions, and identifying additional alignments based on organizational needs and objectives. Staff plans to assess organizational-wide human resource needs with the intention of bringing a proposal for additional full-time positions for SVCE Board approval in March 2025 as part of the FY 24/25 Mid-year budget cycle.

Clean Energy Update
Staff continues its procurement efforts to source clean energy for calendar years 2024 and 2025. Market conditions for clean resources continue to be unfavorable. Additionally, SVCE has seen its portfolio continue to perform below expected levels through the midpoint of 2024. This is due to lower-than-expected output from its variable resources including long-term power purchase agreements for solar, wind and geothermal and allocations of large hydro. The CEO recently executed two import resource adequacy capacity transactions with Powerex to meet resource adequacy and Mid-term Reliability Procurement order obligations in 2025 and 2026 (see Exhibit 2). Further, the products are sourced from carbon free resources, which will help meet our clean energy targets. The agency is currently expected to hit ~80% clean for 2024 and ~83% for 2025.

In August, staff issued a request for offers (RFO) for new and existing clean resources under long-term power purchase agreements, which closed on September 20, 2024. Staff received a large set of proposals and is currently working though the various offers in order to help SVCE meet its current and future goals.

At the October 2024 Board meeting, staff will seek approval of the Glossy Garlic Power Purchase Agreement (PPA) a 50 MW solar photovoltaic plus 50 MW four-hour storage battery storage system located in the unincorporated area of Santa Clara County. The project is expected to come on-line in 2029, providing a clean source of local energy.

Attachment 1 provides an update of SVCE's clean energy efforts through long-term power purchase agreements.

Decarbonization Programs and Policy and Energy Services & Community Relations Updates
The latest Decarbonization Programs Quarterly Report was published in August, which highlights progress made on programs last quarter in addition to planned targets for the next quarter; these updates can be found in Attachment 2.

Staff officially announced the Silicon Valley Clean Energy Dream Home – an electric appliance showcase in a press release issued on Sept. 30, 2024. Please find the link in the attached Energy Services & Community Relations update. The Dream Home is being used as an outreach tool to engage customers at community events to learn about electrification and available rebates and resources. Member agencies may request to reserve the demo home through an online form that is available at https://svcleanenergy.org/dream-home/.

SVCE is launching an EV rebate program in October that offers $2,000 off new or pre-owned EVs to income-qualified customers. To help promote this new program, staff is organizing a Frunk or Treat, a free community event to be held in Milpitas, location TBD, on October 27, 2024.

The board is invited to use the SVCE Group Pass for the Verge 2024 conference in San Jose on Oct. 29 – 31, 2024. The SVCE Dream Home will be there. If interested, please reach out to Andrea Pizano for more information.

Please see Attachment 3 for a recap of our community engagement and marketing efforts this past month.

Regulatory & Legislative Update
The Assembly is currently convened in a Special Session to discuss legislation to lower gasoline prices. The Governor had until September 30, 2024 to sign or veto bills from this session. Among his actions, the Governor signed a high priority bill that SVCE supported, SB 1221 (Min), which will create a neighborhood decarbonization pilot program at the CPUC.

Attachment 4 provides highlights of key regulatory and legislative activities, including the status of other SVCE and CalCCA supported bills.

Look Ahead Update
Staff continues to plan for Board and committee meetings through the end of the year. To provide the Board with a preview of what's ahead for the Board from November 2024 through January 2025, please refer to Attachment 5.

ATTACHMENTS

1. Clean Power Update, October 2024
2. Decarbonization Programs Quarterly Report, FY24 Q3 Milestones
3. Energy Services & Community Relations Update, October 2024
4. Regulatory and Legislative Update, October 2024
5. Agenda Look Ahead, November 2024 – January 2025

Exhibit 1 - CEO Agreements Executed

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

1) HBT Energy, Agreement: Power Resources Management Services, not to exceed $95,000, 10/1/24 – 9/30/25
2) Evergreen Economics, Task Order: Customer Surveys, not to exceed $104,070
3) Wilson Sonsini Goodrich & Rosati, Amendment: Legal Services, extends date to 12/31/2024
4) AYP Consulting LLP, Agreement: Master Services Agreement – HR and Tax Services, not to exceed $2,100, 9/5/24 – 2/28/25
5) San Jose Conservation Corps., Agreement: Demo Home transportation and services, not to exceed $25,000, 9/5//24 – 9/4/25
6) EV. Energy, Amendment: Software as a Service, not to exceed $973,000, extends date to 12/31/25
7) Kimley Horn and Associates, Task Order: Building Electrification Engagement Services, not to exceed $25,000, 4/15/24 – 4/14/27
8) PFM Asset Management – changed name to US Bancorp Asset Management, Amendment: Investment Advisory Services
9) Braun Blaising and Wynne, Agreement: Legal Services, not to exceed $330,000, 10/1/24 - 9/30/26. Approved by the SVCE Board of Directors at the September 11, 2024 meeting.
10) Maher Accountancy, Agreement: Accounting Services, not to exceed $298,500.00, 10/1/24 – 9/30/25. Approved by the SVCE Board of Directors at the September 11, 2024 meeting.
11) Keyes & Fox, Amendment: Legislative Support and Legal Services, no new money, extends term to 12/31/24
12) CSE, Amendment: Innovation Program Administration Services, amendment to scope of work
13) City of Gilroy, Amendment: Community Resilience Program – Capital Projects Agreement, extends term 12/31/25
14) SMUD, Task Order: Future Fit Fundamentals Program Support, not to exceed $105,000, 12/31/25
15) City of Campbell, Amendment: Decarbonization Grant Program Agreement, extends term to 12/31/25
16) PowerMC, Amendment: Business Process Optimization, extends term to 12/31/25

SILICON VALLEY CLEAN ENERGY

Exhibit 2 - CEO Power Supply Agreements Executed

Counterparty Name	Execution/Effective Date	Transaction Type	Product	Start Date	End Date	Notional Value
Powerex	9/20/2024	Purchase	Resource Adequacy & Carbon-Free Energy	5/1/2025	10/31/2025	$5,684,000
Powerex	9/20/2024	Purchase	Resource Adequacy & Carbon-Free Energy	5/1/2026	10/31/2026	$5,335,000
City of Riverside	9/23/2024	Purchase	Resource Adequacy	6/1/2025	6/30/2025	$756,000

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

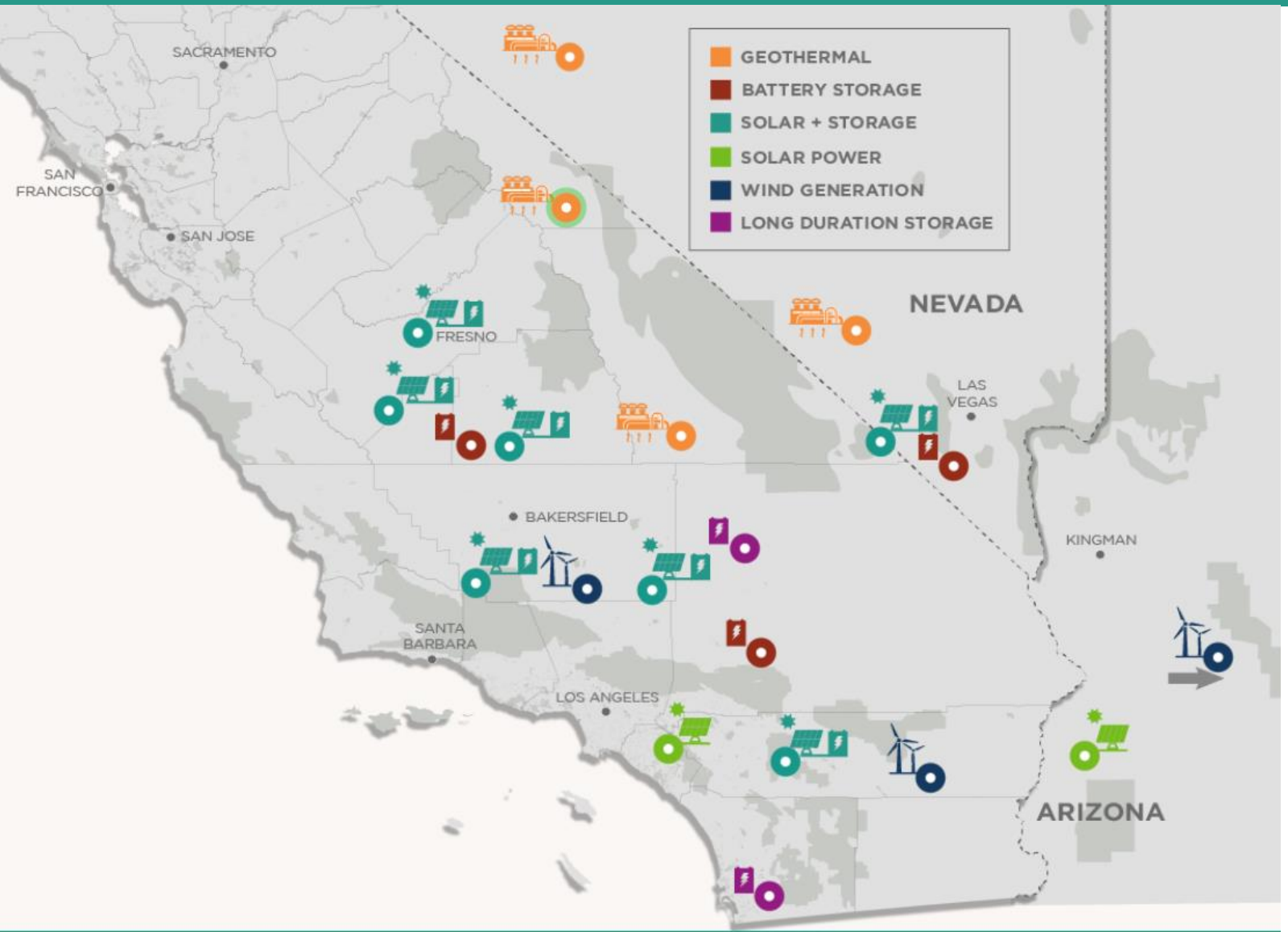


CEO Report
Clean Power Update

SVCE Board Meeting
October 9, 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

9 Projects now delivering to SVCE:

- COSO geothermal - January 2022
- Slate Solar + Storage – January 2022
- Casa Diablo geothermal – July 2022
- Mountain View wind – July 2022
- Rabbitbrush Solar + Storage – October 2022
- Terra-Gen Wind – January 2023
- Yellow Pine Solar + Storage – July 2023
- Victory Pass Solar + Storage – March 2024
- Baldy Mesa Storage (RA-only) – June 2024

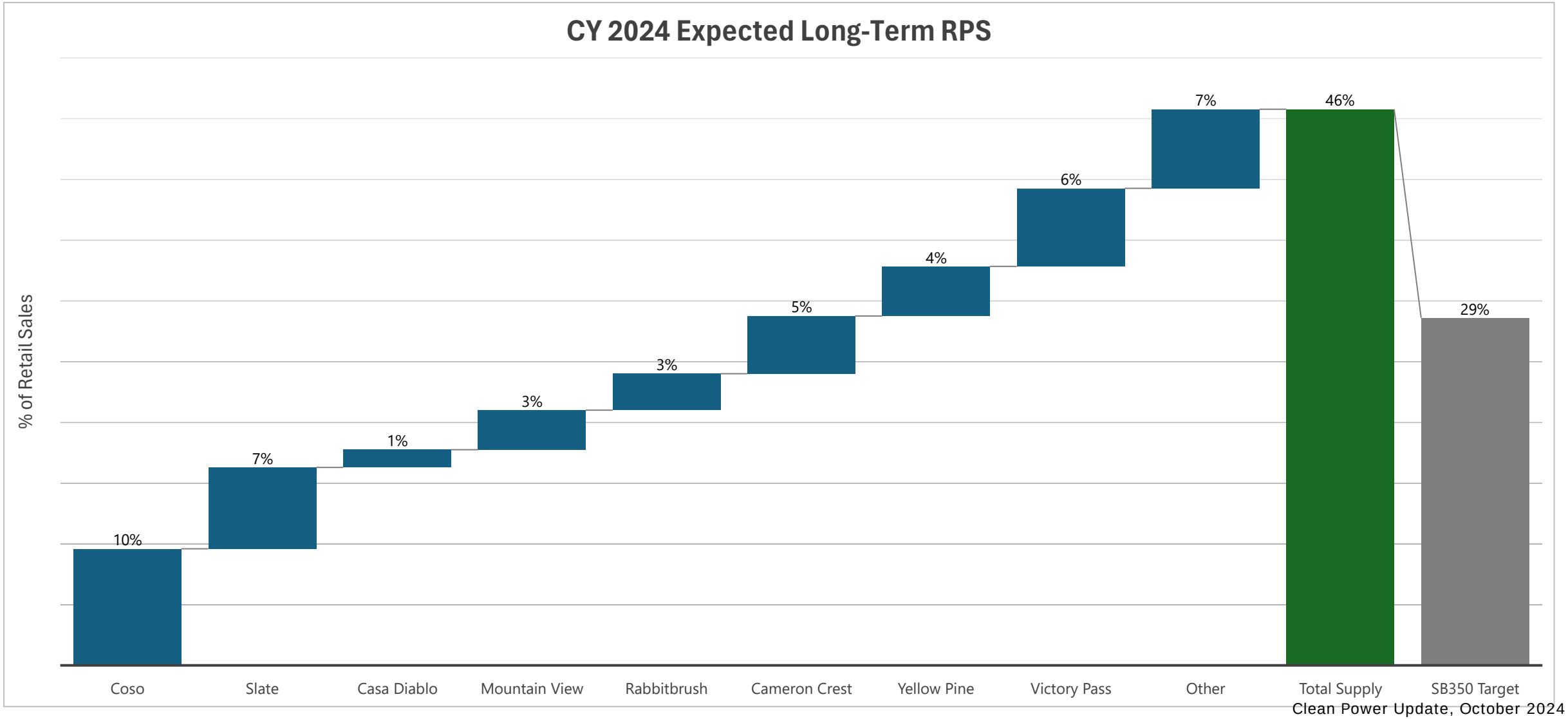
SVCE Long-Term Clean Energy Contracts

	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	Online
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	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	Online
18	MRP	Hanford	Thermal + BESS	99.4	131.4	131.4		12	$280	Apr-23	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	Construction

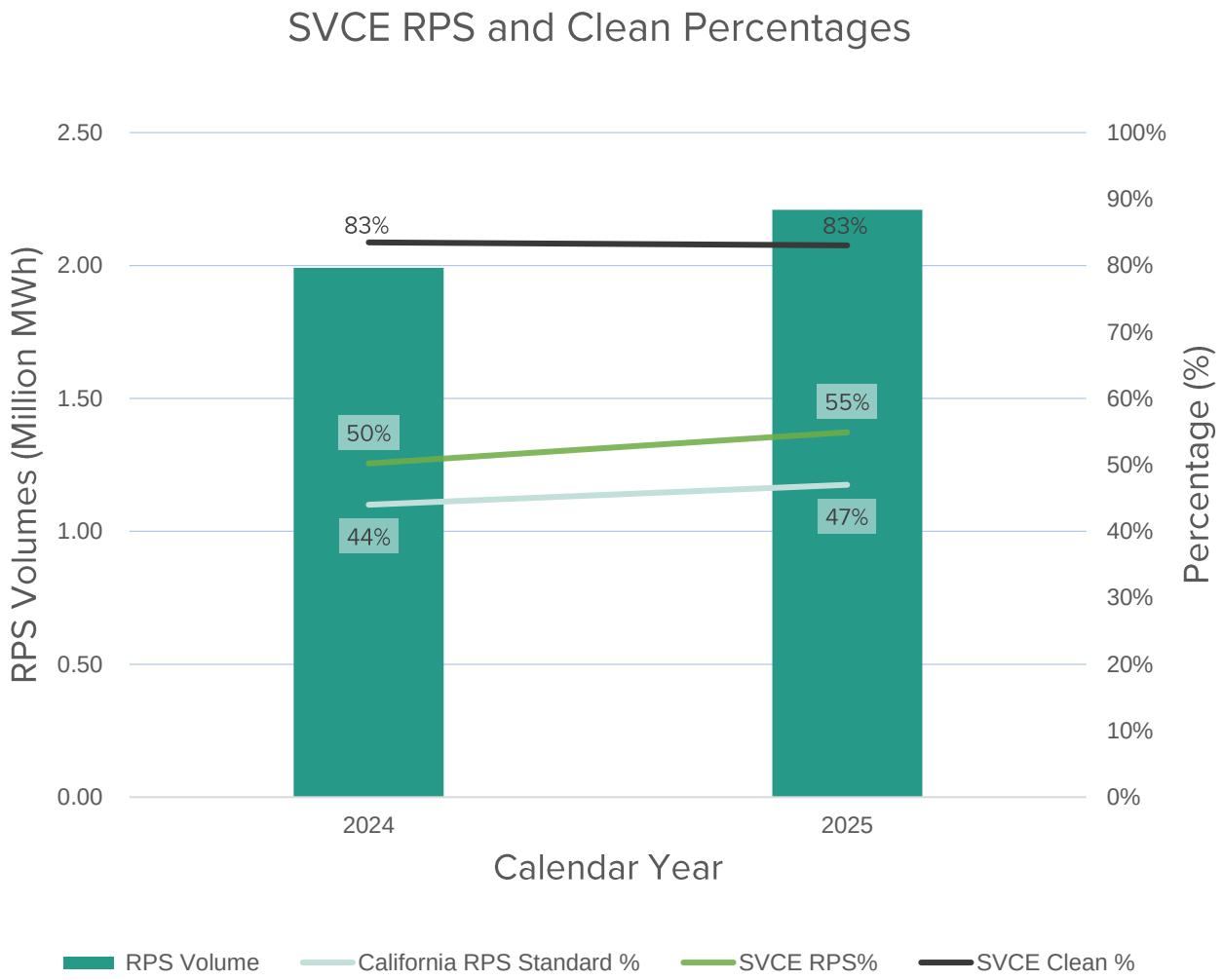
Clean Energy Resources Online Progress
as of September 27, 2024

2024 – H2	• Hanford BESS on Peaker: *Construction mode*
2025 – H1	• Goal Line Long Duration Storage: *Pre-construction* • Aratina Solar + Storage: *Pre-construction – delayed* • San Luis West Solar + Storage: *Pre-construction - delayed*
2025 – H2	• Atlas Solar: *Pre-construction – delayed* • Yellow Pine III Storage: *Pre-construction*
2026 – H1	• Tumbleweed Long Duration Storage: *Construction mode* • Fish Lake Geothermal: *Pre-construction*
2026 – H2+	• Ormat Geothermal Portfolio: *Pre-construction* • SunZia Wind: *Construction mode* • Angela Solar + Storage: *Pre-construction – delayed* • Grace Solar: *Pre-construction*

SVCE is Making Significant Progress Toward Meeting Long-Term RPS Requirements



Projected Clean Position for 2024/2025



THANK YOU!



DECARBONIZATION PROGRAMS

SILICON VALLEY CLEAN ENERGY

Quarterly Report

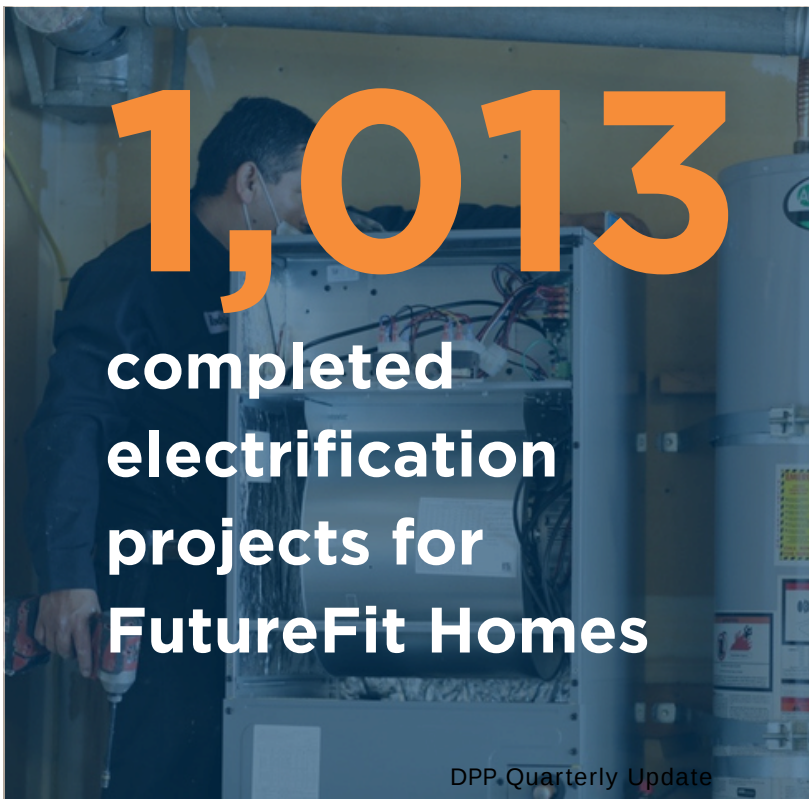
FY24 Q3 Milestones



250 contractors complete FutureFit training



240 customers use Go Electric Concierge service



1,013 completed electrification projects for FutureFit Homes

PROGRAMS PORTFOLIO

FY24 Q3

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)
Multifamily Retrofits (TE and BE)	$12.5M	300 to 1,000 MF AH units electrified	Soft-launched program in May 2024. Two property owners submitted 6 properties for consideration.	Launched program. Housing Authority submitted 4 properties for consideration.	Select two properties to develop Electrification Plans for.
CHIIP, including Affordable Housing EVI Incentives	$11.4M	• 25 MUDs with EVI • 4,000 L1/L2 chargers at affordable housing	• 18 reservations (181 ports) • 9 completed (84 L1/L2)	Processed 3 new MUD claims for 25 additional EV ports.	Expand enrollment, adjust incentive levels, focus on more affordable housing developers
Electrification Rate Discount	$9.5M	5,000 customers enrolled	1,900 enrolled	Customer performance feedback, developed DAISY tracking system capable of scaling, integrating E-ELEC into other programs	Global update and discuss future strategy
FutureFit Homes - Residential Incentives	$7.05M	2,800 homes fully/partially electrified	1,013 homes fully/partially electrified	Continued to see strong uptake with ~$700k in claims	Complete user testing of application software in Salesforce and Rock Rabbit
Community Energy Resilience	$5.15M	13 agencies complete projects	3 completed agency project	South County Fire Station completed construction, planning joint community ribbon cutting event	Monitor and reimburse agencies as projects move to completion
Decarbonization Demonstration Grants	$3.2M	8 local public facing electric projects	1 project complete	Staff developed grant resources in preparation of grant closeout (Dec 2024)	Support grantee community engagement efforts
Permit Modernization	$3.2M	13 member agencies improve electrification permitting	Data gathered for all 13 agencies. Program just began rolling out	Prepare draft action plan for each agency's input.	Work with staff to fine tune actions and connect actions to SVCE resources.
C&I Decarbonization Program	$2.5M	8,000 metric tons of CO_2e removed through carbon saving measures	9 customer leads, 1 pilot participant	Launch program in June, begin recruitment	Enroll 4-9 customers, begin site assessments, outline program at SVCE "Watts for Lunch"
CALeVIP 1.0	$2.4M	• 85 DCFC installed • 1,100 L2 installed	• 10 DCFC installed • 247 L2 installed	Continued monitoring installations	Continue making payments to DCFC and L2 projects as they are completed.
Customer Resource Center (eHub)	$2.1M	• 1.5M email opens • 350K unique web visits	716K email opens, 353K web visits, 238 yard care equipment rebates	Sent emails about Yard Care Promotion, launched Summer Promotion and Summer Sweepstakes	1M email opens, 385K web visits, Prepare eHub 2.0 launch

PROGRAMS PORTFOLIO

FY24 Q3

Active Programs

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
Priority Zone DC Fast Charger (PZDCFC) 2.0	$1.975M	10 DCFC installations near MUD hotspots	10 of 10 ports are live now (4 sites)	Completed 2 of 3 remaining claims. All sites now energized.	Finalize remaining claim; fold nearby resident outreach into EV rebate launch.
Existing Building Policy Experiment	$1.9M	Spur action on building electrification and reduce building gas combustion	Needs assessment for all 13 agencies	Completed conversations with all 13 agency directors and staff to understand priorities	Prepare draft action plan for each agency for staff input; fine tune actions and utilize SVCE resources
FutureFit Fundamentals Contractor Training	$1.7M	• 300 contractors trained • 500 graduate incentives	250 contractors completed training. 106 approved bonus claims.	Increase personal program marketing via SMUD (direct phone calls)	Increase direct phone call outreach. Increase marketing to contractors who are enrolled in the training but have not yet completed the course.
GridShift EV Charging	$973K	Bill/emissions savings and load shifting capacity	• 1,431 EVs enrolled • 46 charger rebates	Finalized REDWDS scope and kicked off dynamic rate design work.	Reach 1,700 EVs. Amend contract to include ChargeWise work
Go Electric Advisor	$892K	3,600 customers use hotline, 1,200 use tech assistance, 350 use electrification plans	240 customers use service	Increasing enrollment and customer intake	Increase marketing campaigns and aim for 500 new contacts
FutureFit SMB Incentives	$750K	20-30 SMBs electrified	4 SMBs fully/partially electrified	Increased awareness, developed mailers and customized email campaigns, awarded one claim	Meet with city Economic Development staff. Present at Chamber meetings. Schedule presentation with professional organizations. Award rebates.
FutureFit Assist	$725K	• 60 assessments • 36 projects done • 250 ports	67 applications (42 completed)	Executed new marketing and outreach campaigns to increase participation; enrolled 17 new properties	Expand enrollment; determine next phase of program starting in 2025.
EM&V	$640K	Evaluate 80% of SVCE programs within 1 year of launch	3 reports completed, 3 in progress	Completed evaluation report for DataHive Program. Prepared 2 draft reports.	Finalize draft reports. Complete data gathering and analysis for remaining reports.
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)	Given Berkeley decision and upcoming 2025 state building code, SVCE isn't encouraging activity for new buildings. We're preparing for the 2025 cycle.
SV Building Electrification Stronger Together	$600K	Educate stakeholders about building electrification	35 new stakeholders engaged to date	RFP under legal review. Planning to release RFP early fall.	Release community partnership grant and conduct information session.

PROGRAMS PORTFOLIO

FY24 Q3

Active Programs

Name	Budget	Potential Impact	Cumulative Impact To-Date	Last Quarter (Update)	Next Quarter (Target)
Programs Marketing Fund	$500K	2,500 new program enrollments	Home Rebates: 648 enrollments, 239 complete. EV Charging Multifamily: 15 enrollments, $30,000. Business Rebates: 14 enrollments.	Setup systems and analytics to track expenses and enrollments	Complete digital tracking setup, analyze first few months of expense/enrollment data
Decarbonization Engagement Grants	$442K	5 communities engage residents on climate action topics	In progress	Several agencies conducted community electrification events as a part of Earth Month	Monitor and reimburse agencies as projects move to completion
Natural Gas Phaseout Feasibility	$300K	Complete 2 whitepapers to inform local, regional, and statewide policies	Near completion for 2 whitepapers	Complete financing whitepaper and make progress on technical solutions analysis	Closeout technical solutions analysis and share financing / technical solutions findings with BAAQMD
Fleet Electrification	$300K	Complete fleet electrification and charger installation planning for 10 fleets	8 fleets in progress	Nearly fully-subscribed and several agencies are starting to utilize PG&E's fleet program to gain increased electrical service.	Finish full designs for 2 agencies and have at least 2 others started.
SV Transportation Electrification Clearinghouse	$150K	Create cohort to enable equitable electrification.	Merged into other programs	Original goals matured into formal initiatives. Program is paused.	Original goals matured into formal initiatives. Program is paused.
Lights On Silicon Valley	Power Supply Budget	750 SFH and 5 MF projects	657 enrolled SFH at outset of delivery period	Capacity from behind-the-meter solar and storage projects was delivered to SVCE.	Continued delivery and adjustments to dispatch as needed.

PROGRAMS PORTFOLIO

FY24 Q3

Planning

Name	Budget	Potential Impact	Last Quarter (Update)	Next Quarter (Target)
Full-Service Home Upgrades	$14M	600 single-family homes electrified; 700 emergency water heater replacements	Continued program design with PCE.	Launch program by October 2024.
Resiliency, Engagement, and Decarbonization (RED) Grants	$10M	Fund resiliency, engagement, and decarbonization projects for Member Agencies, schools, community groups, and non-profits	Staff finalizing program design for Member Agency non-competitive grants and competitive community grants.	Release Notice of Funding.
Tariffed On Bill (TOB) Financing	$5.2M	200 customers finance electrification	Aiming for August BOD contract approval. Presented at June Exec Committee.	Kickoff implementation phase.
Innovation Onramp	$2.4M	1-2 pilot projects per year that advance electrification programs and strategies	Executed contract with vendor, Rock Rabbit. Planning next call for proposals on an EVSE pilot at multifamily properties.	Conduct soft launch of Rock Rabbit app. Release request for proposals of EVSE pilot.
Neighborhood Electrification	$1.5M	Test model to electrify buildings within a community. Electrify 15 homes and set plans for 24 homes.	Preliminary design close to completion. Target for fall to start engagement.	Conduct extensive community engagement pre-pilot and release RFP for vendor.
EV Education & Incentives	$1.5M	600 EV purchase incentives for income qualified customers	Initiated program development, completed stakeholder interviews, and began strategizing CBO partnerships.	Launch point-of-sale and Post-Purchase EV Rebate program.
Workforce Development Partnerships	$1.3M	Increase capacity to coordinate and train skilled workforce for residential electrification jobs	RFP under legal review. Planning to release RFP early fall.	Release Contractor RFP.
Additional Demand Flexibility and Virtual Power Plants pilots/programs	$1M	Connectivity to flexible, customer-sided loads to enable bill savings, avoided generation and capacity costs, reliability and carbon benefits	Created D-R plan for Morgan Hill and ran 18 events June to July.	Run 30 events, including at least one Level 2 event.
E-Bikes	$500K	450 e-bikes	Began initial program design	Continue program design, stakeholder outreach.
Portable Heat Pumps	$500K	100 portable heat pumps	Secured funding for program in March.	Exploring alignment with eHub 2.0 program deployment.

PROGRAMS HIGHLIGHTS

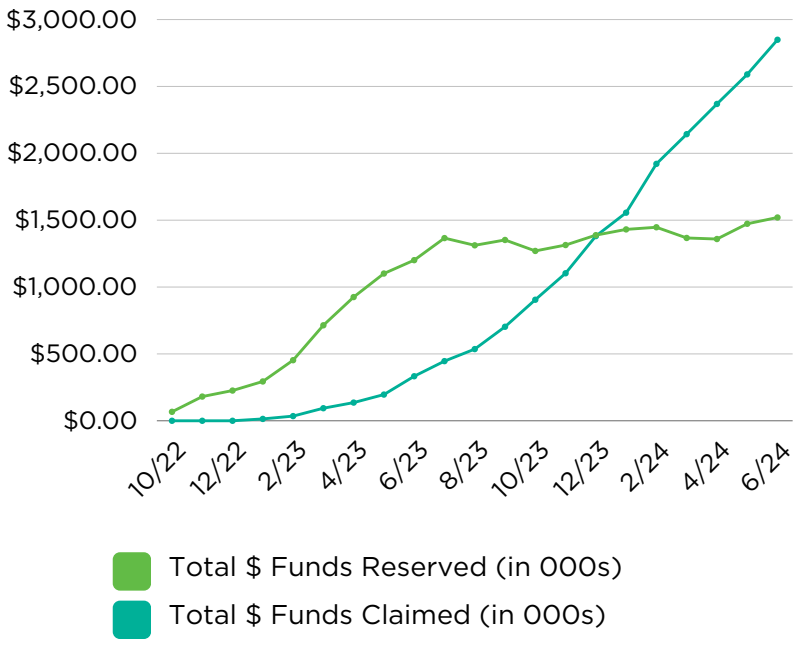
FY24 Q3

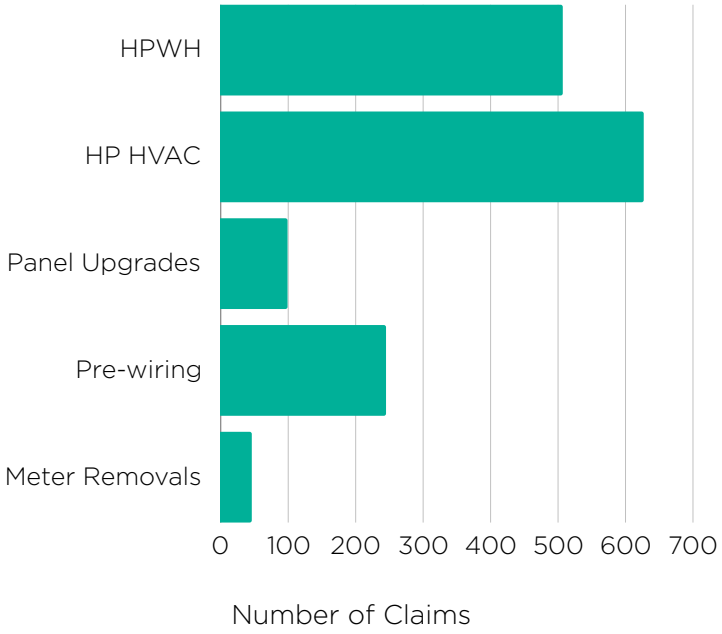
FutureFit Homes

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

Rebates claimed: $2.9M

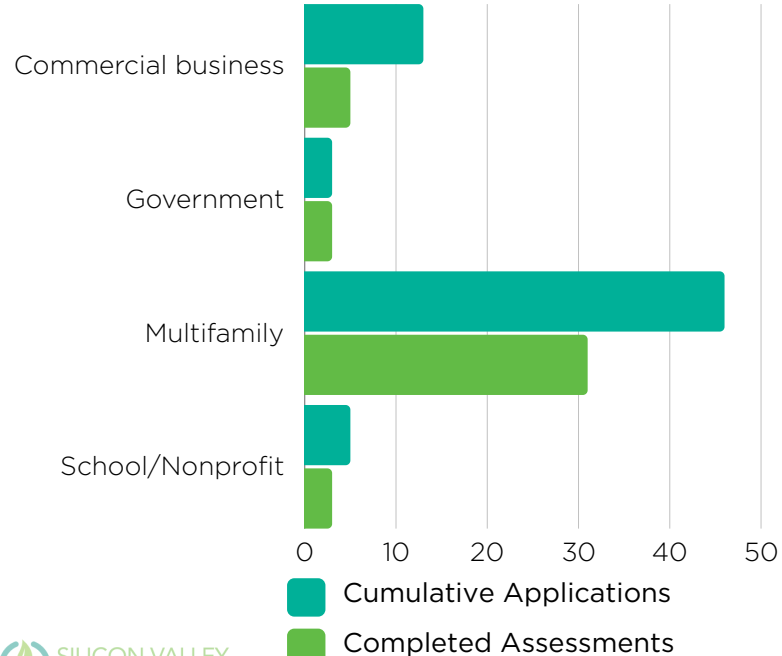
Rebates reserved: $1.5M





Future Fit Assist

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



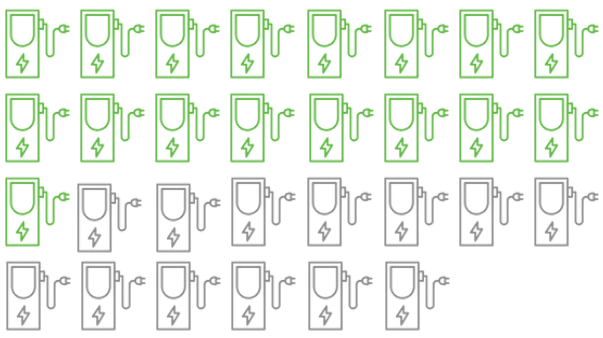
Charging Installation Incentive Program (CHIIP)

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

Funds Reserved: $703K

Funds Claimed: $337k

Goal: 35 Sites, 150 ports



= 5 Installed EVSE Ports

SILICON VALLEY CLEAN ENERGY

PROGRAMS HIGHLIGHTS

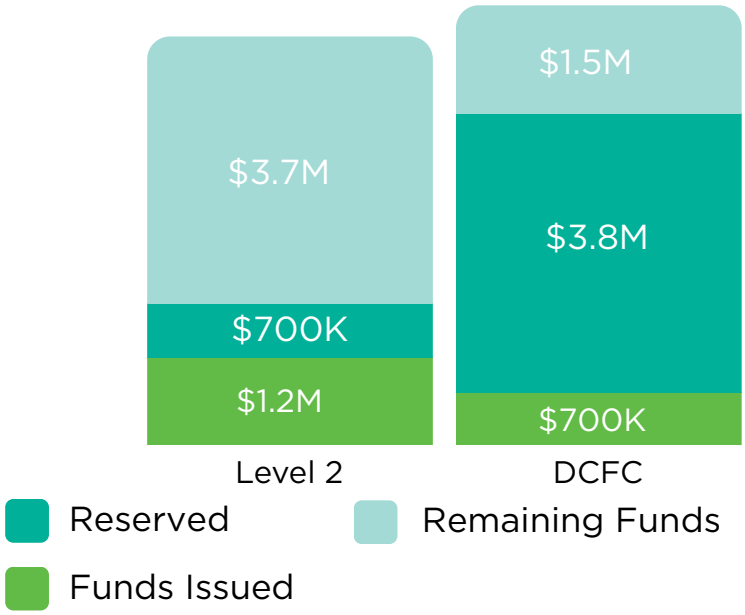
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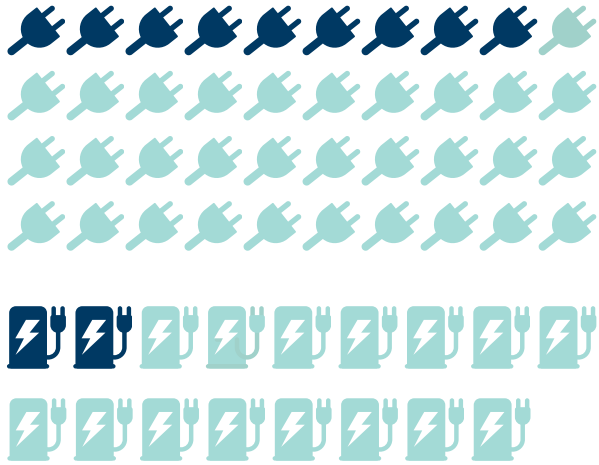
CALeVIP

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

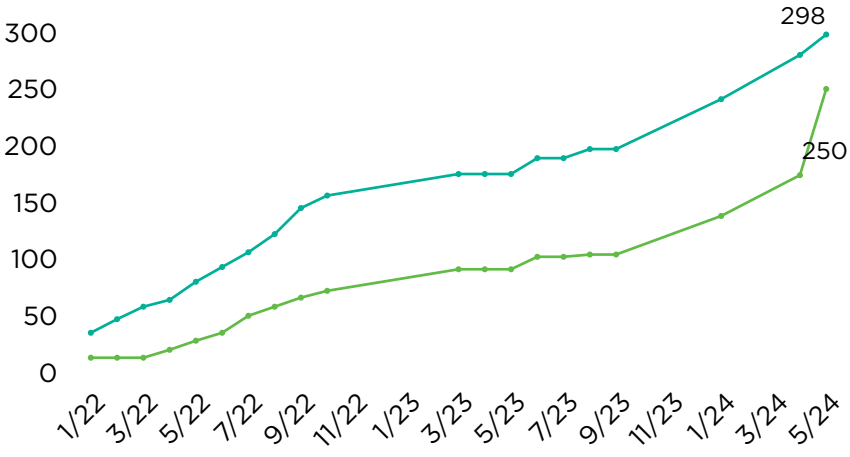
= 5 DCFC Installations

FutureFit Fundamentals

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

Funding: $1.5M

Goal: 300 Participants Complete the Course (Phase 2)





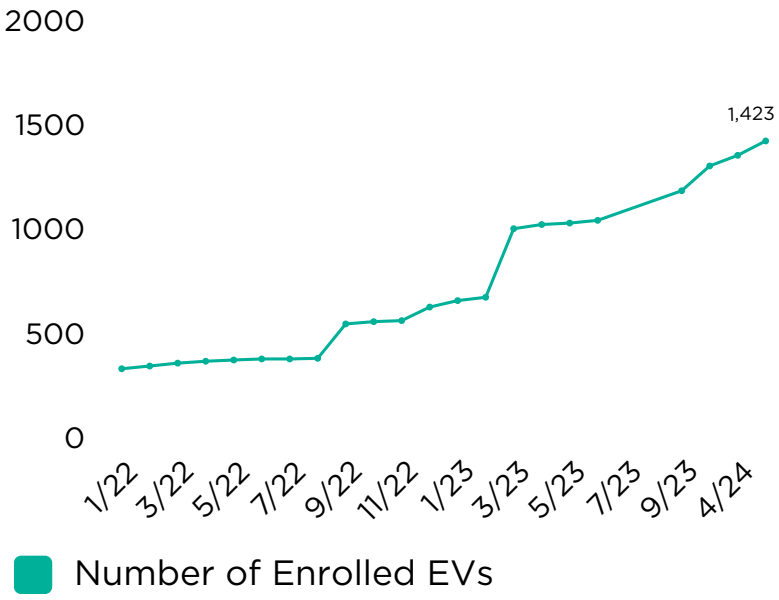
= 10 Participants Complete Course

PROGRAMS HIGHLIGHTS

FY24 Q3

GridShift EV Charging

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



Rebate Goal: $30K

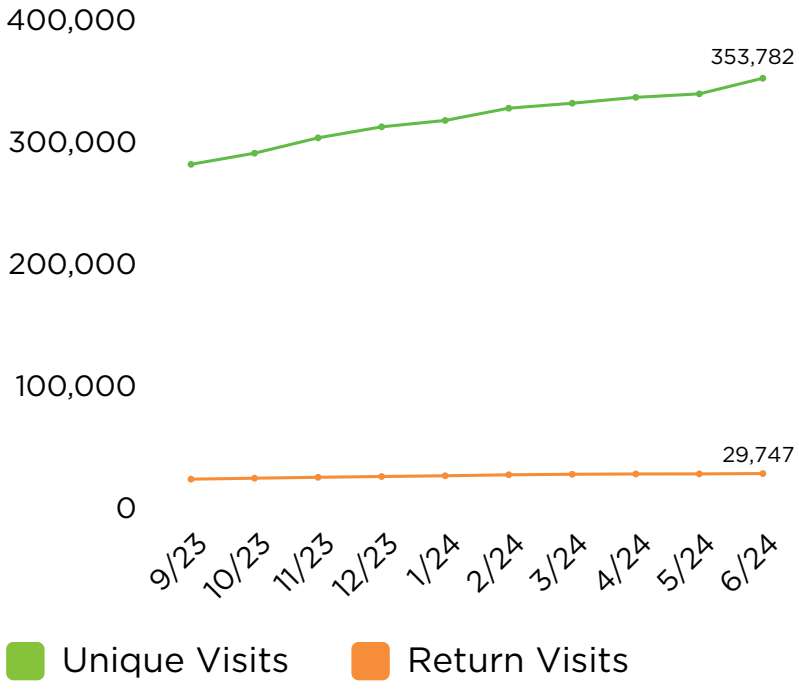
Goal: 120 EV Chargers



Charger Rebates Issued: 45

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

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.



Energy Services & Community Relations

October 2024 Updates

1. Outreach Events & Sponsorships

Date	Sponsorship/Event	Location
10/4/2024	**Milpitas Chamber of Commerce Annual Awards Gala** 5 p.m. - 9 p.m. *Sponsorship*	Bay View Golf Club 1500 Country Club Drive Milpitas, CA 95035
10/5/2024	**Saratoga State of the City** 1:30 p.m. - 3:30 p.m. *Tabling*	Joan Pisani Community Center 19655 Allendale Ave Saratoga, CA 95070
10/5/2024	**Morgan Hill Clean Air Day** 9 a.m. - 1 p.m. *SVCE Dream Home & tabling*	Magical Bridge Playground 171 W Edmundson Ave Morgan Hill, CA 95037
10/9/2024	**2024 Architectural Intelligence Symposium** 9 a.m. - 5:30 p.m. *Sponsorship*	Computer History Museum 1401 N Shoreline Blvd Mountain View, CA 94043
10/13/2024	**Day on the Bay** 10 a.m. - 3 p.m. *Tabling*	Alviso County Marina Park 1195 Hope St Alviso, CA 95002

1. Outreach Events & Sponsorships

Date	Sponsorship/Event	Location
10/16/2024 - 10/18/2024	**League of California Cities Latino Caucus Annual Conference and Expo** *Sponsorship*	Long Beach Convention Center 300 E Ocean Blvd Long Beach, CA 90802
10/19/2024	**Acterra Electric Home Tours** 11 a.m. - 3 p.m. *Sponsorship*	Various homes throughout Santa Clara & San Mateo Counties
10/19/2024 – 10/20/2024	**Campbell Oktoberfest** *Sponsorship & tabling*	Downtown Campbell
10/21/2024	**Women in Cleantech and Sustainability Virtual Job Fair** 12 p.m. - 2 p.m. *Sponsorship*	Online
10/27/2024	**SVCE Frunk-or-Treat (Tentative Date)**	TBD Milpitas

1. Outreach Events & Sponsorships

Date	Sponsorship/Event	Location
10/29/2024 – 10/31/2024	**VERGE – ClimateTech Conference** *SVCE Dream Home, sponsorship & tabling*	San Jose Convention Center 150 W San Carlos St San Jose, CA 95113
11/2/2024	**La Ofrenda Festival** 1 p.m. - 7 p.m. *SVCE Dream Home, sponsorship & tabling*	Downtown Gilroy
11/12/2024	**Santa Clara County Induction Cooking Event** 6 p.m. - 8 p.m. *SVCE Dream Home & tabling*	County of Santa Clara Animal Services 12425 Monterey Rd San Martin, CA 95046

2. Customer Participation

	Participation Rate	Overall Participation Rate
Residential	96.12%	96.16%
Commercial	96.50%	

SILICON VALLEY CLEAN ENERGY

3. Member Agency Working Group – September Update

The most recent MAWG was held on September 26, 2024 at the Mountain View Community Center. The meeting was attended by more than 65 municipal staff.

The in-person meeting included:

- Individual Presentations on the "State of.." Decarb Programs, Stormwater Pollution Prevention, Integrated Waste Management, Water Conservation, and County Collaborative
- A tour of the SVCE Dream Home – an electric home expo
- Insight activities
- Networking & lunch



4. Watts For Lunch Recap



The most recent WFL event was held on September 5, 2024, and was attended by representatives from 8 different key accounts with a total of 23 participants.

The following agenda items were presented and discussed:

- Why S.E.M. Decarbonization presented by an Energy Services Principal at SVCE
- SVCE's C&I Decarbonization S.E.M. Program Overview presented by the Decarbonization Programs Manager at CLEAResult
- EcoInvest Volume Pricing and Capital Investment S.E.M. presented by an Energy Services Principal at SVCE
- RTP and Demand Flexibility presented by the Director of Strategic Initiatives at SVCE

5. EV Rebate program launch

Launching October 18

EV Rebate: $2,000 rebate for the purchase/lease of a new or old electric vehicle or plug-in hybrid electric vehicles for income-qualified customers.

www.svcleanenergy.org/ev-rebate



Customer flyer

6. Dream Home Launch Recap

SVCE Dream Home on Tour – Mountain View and Los Gatos

The SVCE Dream Home is live and coming to a community near you!

The Mountain View Arts & Wine Festival on September 7 – 8 and Los Gatos Fiesta de Artes on September 21 –22 were the first opportunities for customers to experience our interactive demonstration and learn more about heat pumps, induction cooking, and more.





Learn more:
svcleanenergy.org/dream-home

Watch the Video!

7. Press Releases & Media

Press Releases

Introducing the Silicon Valley Clean Energy Dream Home – An Electric Appliance Showroom, *Press Release, 09-30-24*

Media Mentions

- LAH builds new backup battery system for energy emergencies, *Los Altos Town Crier, 09-04-24*
- Brighter Horizons Ahead As Data-Driven Decisions Reshape Power And Utilities, *Energy Central, 09-11-24*



Los Altos Town Crier
Community news for Los Altos, Los Altos Hills and Mountain View since 1947

Tuesday, September 24, 2024

ABOUT NEWS SCHOOLS BUSINESS & REAL ESTATE SPORTS COMMUNITY COMMENT SPECIAL SECTIONS OBITUARIES DIGITAL EDITION ADVERTISE SUBSCRIBE

LAH builds new backup battery system for energy emergencies

By Curtis Driscoll Staff Writer/curtisd@latc.com Sep 3, 2024 Updated Sep 3, 2024

1 of 2

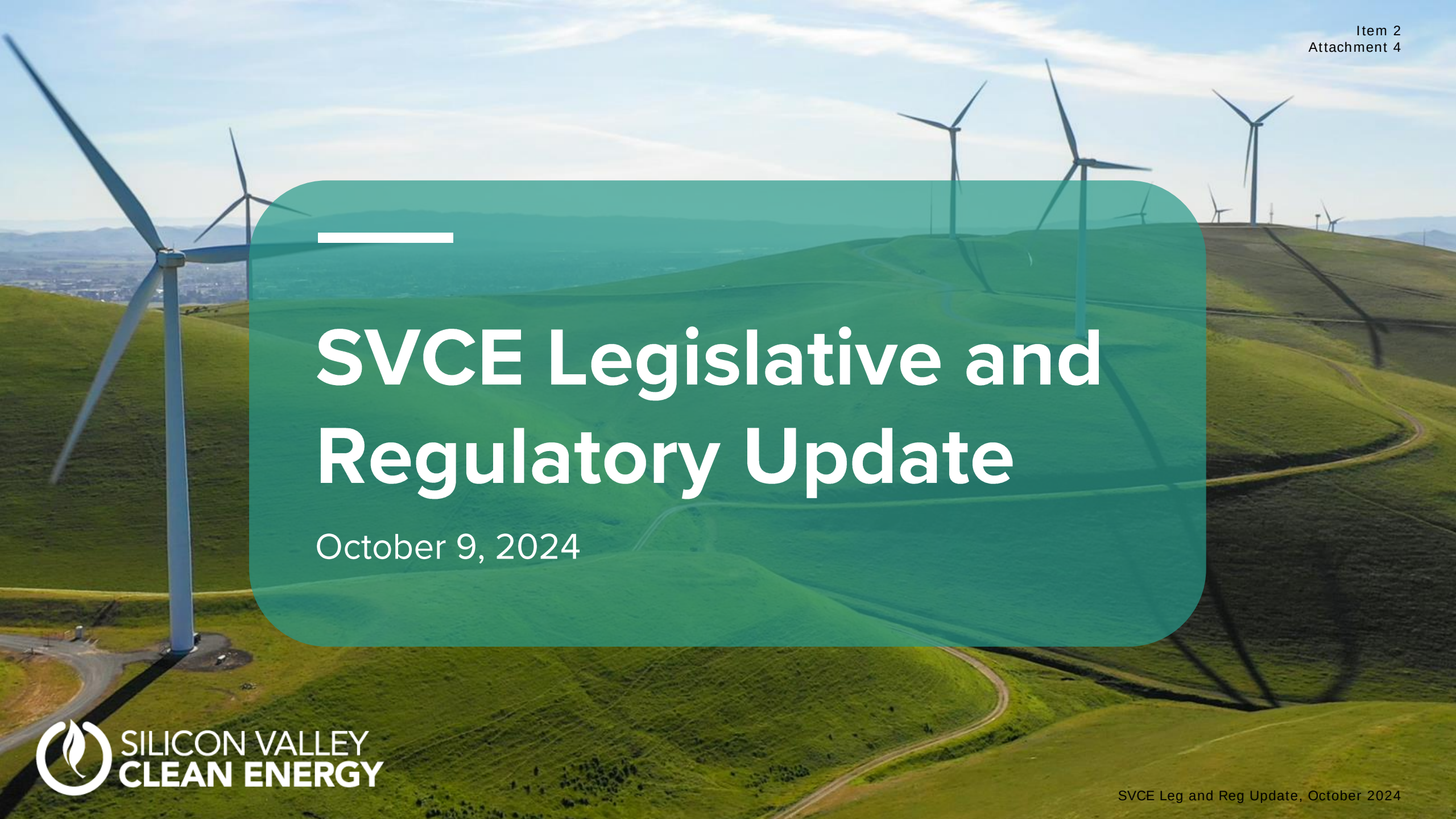
The new backup battery storage system now at the Los Altos Hills town hall.
Courtesy of Silicon Valley Clean Energy

After several years of planning and building, Los Altos Hills unveiled its new

ONCE ON THIS ISLAND
AN IMMERSIVE MUSICAL ADVENTURE!
SEPT. 13 - OCT. 13

Trending Stories

1. Los Altos Police Department responds to incident at Bluemercury on Wednesday
2. Bullis complaint sparks federal investigation over discrimination
3. 89-year-old Los Altos man injured during assault:



SVCE Legislative and Regulatory Update

October 9, 2024

SILICON VALLEY CLEAN ENERGY

Policy Updates

Regulatory Update:

1. Timely Energization

Legislative Update:

1. SVCE and CalCCA Bill Status Updates
2. 2024 Legislative Calendar



Regulatory Update

Key Regulatory Activities

Activity	Purpose	Status
Timely Energization (R.24-01-018)	Order Instituting Rulemaking to Establish Energization Timelines.	On September 25, 2024 the California Public Utilities Commission (CPUC) issued a Ruling in the Timely Energization proceeding. This Ruling follows the adoption of Decision 24-09-020, issued September 17, 2024, which adopted targets and timelines for energization requests averaging 182 calendar days across project types. Main panel upgrades, the type of project for which SVCE advocated shorter timelines, need to be completed in an average of 30 calendar days. In the newest Ruling, the Administrative Law Judge for the case, requests comments on the move of consideration of Pacific Gas & Electric Company's memorandum accounts for recording and tracking costs for energization projects to this proceeding. The memorandum accounts and associated rate setting mechanism cost caps were previously considered in PG&E's General Rate Case proceeding. A revisit of the adopted cost cap to support PG&E customers' energization requests in 2025 and 2026 would be considered in Timely Energization. The Ruling seeks party comments on the proposed transfer.



Legislative Update

SVCE and CalCCA Bill Positions

Bill	Summary	CalCCA or SVCE Position	Status
SB 1095 (Becker)	Prohibits mobile home parks and homeowner associations from instituting barriers to electric appliances.	SVCE Support/CalCCA Support	Died
AB 2513 (Pellerin)	Requires health warning labels on gas stoves.	SVCE Support	Vetoed
SB 1221 (Min)	Creates a neighborhood zonal decarbonization pilot at the CPUC.	SVCE Support	Signed
SB 382 (Becker)	Building electrification disclosures.	SVCE Support	Signed
AB 2368 (Petrie-Norris)	Reliability planning	SVCE Support	Signed

SVCE and CalCCA Bill Positions

Bill	Summary	CalCCA or SVCE Position	Status
SB 1130 (Bradford)	Allows households with less than 3 people to enroll in the FERA low-income bill assistance program.	CalCCA Support	Signed
AB 817 (Pacheco)	Would allow Board Committees that are purely advisory to use pandemic-era teleconferencing rules.	CalCCA Support	Died
AB 2779 (Petrie-Norris)	Requires CAISO to report on any use of grid enhancing technologies to the CPUC and legislature.	CalCCA Support	Signed
SB 1165 (Padilla)	Allows transmission projects to go through the permitting process at the CEC instead of the CPUC.	CalCCA Support	Died

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~~

Agenda Look Ahead: Nov 2024 – Jan 2025

November

13th: BOD Meeting

- Clean Pathways Update and Recommendation - *Action*
- GreenPrime Product Offering & Rate – *Action*
- Load Management Standards Update
- Local Agency Action Planning – *Information*
- Possible Closed Session on Real Estate

December

11th: BOD Meeting

- Approve Budget Update, 2025 Customer Rate Setting, and Additional Budget Funding Items (including future use of revenue surpluses) – *Action*
- Agency Policies Streamlining Project – *Action*
- 2025 Legislative Policy Platform - *Action*
- 2025 Board Elections – *Information*

January 2025

8th: BOD Meeting

- Chair and Vice Chair Appointment - *Action*
- Executive Committee Membership Selection - *Action*
- FY 2025 Q1 Strategic Plan Update – *Information*

*Please note the items on this schedule may change depending on priorities

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 3

Item 3:	**Approve an Allocation of $100,000 from the Operating Budget for the Proposed 2024-2025 Expanded Education Fund**
From:	Monica Padilla, CEO
Prepared by:	Pamela Leonard, Deputy Director of Marketing & Communications Juliette Pascual, Community Outreach Specialist
Date:	10/9/2024

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) approve an allocation of $100,000 from the operating budget for grants to be awarded in the proposed 2024-2025 Expanded Education Fund.

EXECUTIVE COMMITTEE RECOMMENDATION

At the August 23, 2024 meeting, the Executive Committee (Committee) discussed the results of the Education Landscape Analysis and offered their input on the creation of the Expanded Education Fund and Community College Partnership program. The Committee voted unanimously to recommend allocating $100,000 for the creation of the Expanded Education Fund.

BACKGROUND

SVCE has supported students through two main initiatives. SVCE launched the Education Fund in 2019 in response to growing student requests for climate-related project funding. Since 2019, the fund has distributed over $300,000 to 38 student groups across nine jurisdictions. SVCE has also received growing interest from educators and non-profit organizations requesting funding for new youth engagement and education projects and services. Additionally, SVCE also runs a student scholarship competition, which provides $20,000 in scholarships annually.

To better understand SVCE's role in the youth and educator space, an Education Landscape Analysis (analysis) was performed in 2024 to examine the existing climate and clean energy opportunities available to students in Santa Clara County. The analysis identified gaps in areas where SVCE could play a role in furthering access to climate education and exposing the future workforce to clean energy careers. As a result of the analysis, staff is proposing the Expanded Education Fund and a new Community College Partnership program. In addition to the new proposed initiatives, the existing Education Fund will still be offered for students to receive funding for their work.

ANALYSIS & DISCUSSION

The proposed Expanded Education Fund is a new grant program that seeks to enhance the offerings of local nonprofits in the youth engagement and education space. In its first year, the Expanded Education Fund will be open to nonprofits who:

- Serve at least one city or town within the SVCE territory
    - Potential reach with Title 1 schools within the SVCE service area
- Are aligned with the SVCE mission to lower carbon emissions by reducing local dependence on fossil fuels
- Offer a service that either engages or educates local students

    - Services must address early workforce development, community workshops, or curriculum and educator training
- Include a community outreach and engagement plan

The proposed Expanded Education Fund will begin in fall 2024 and be completed after one-to-two calendar years depending on the nonprofit's service and needs. Eligible nonprofits can apply for a maximum of $20,000 to be used on materials, goods, and services necessary for their project.

This fund is a valuable opportunity to communicate SVCE's dedication to reinvesting in and benefiting the communities it serves. Furthermore, it will empower local youth to grow their involvement in the climate crisis and explore climate solutions to support their community, while being exposed early to potential clean energy careers.

The Expanded Education Fund is primarily focused on curriculum and not capital projects. Other SVCE grant opportunities for schools and nonprofits are offered through the Community Grants program, which allows organizations, including schools to apply for funding for capital projects.

In addition to the expanded education fund, staff has also proposed a Community College Partnership program. No funding or action is requested of the Board for this initiative. For the board's awareness, this new initiative will seek to address another gap identified in the analysis, where this is an opportunity to engage local community college students in clean energy careers as they work to further define their educational paths or the trades. A staff survey indicated that there are 15 SVCE staff members willing to spend minimal time being paired with students to serve as mentors, or to speak with classrooms. This program will be piloted beginning in 2025.

Both efforts will be evaluated for their reach and effectiveness to determine if they are to become longer-term initiatives.

STRATEGIC PLAN

This action aligns with the SVCE Board-adopted Strategic Goal 8: Engage customers and community stakeholders to build trust of SVCE and advance decarbonization.

ALTERNATIVE

SVCE seeks the approval of a general allocation of $100,000 for a 2024-2025 Expanded Education Fund. If the fund is not approved by the SVCE Board as a grant program for the 2024-2025 fiscal year, staff will explore alternative education grant ideas.

FISCAL IMPACT

There is no incremental fiscal impact. The $100,000 in grant funds will be allocated from the board-approved operating budget.

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 4

Item 4:	**Authorize the Chief Executive Officer to Execute a 10-Year Power Purchase Agreement with VCI Energy for Glossy Garlic Solar + Storage**
From:	Monica Padilla, CEO
Prepared by:	Kris Van Vactor, Director of Power Resources Britta Bradshaw, Power Resource Manager
Date:	10/09/2024

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Board of Directors (Board) delegate authority to the Chief Executive Officer (CEO) to execute the VCI Energy, Inc., Power Purchase Agreement (PPA), in substantial form, as follows:

1. **VCI Energy Glossy Garlic (PPA) ("Glossy Garlic")**
    a. 50 MW or approximately 192,000 MWh per year of Renewable Portfolio Standard (RPS) Portfolio Category Content One ("PCC1") eligible resources from solar PV;
    b. 50 MW, 4-hour or 200 MWh lithium-ion battery energy storage system which is capable of charging from the CAISO grid;
    c. 10-Year term PPA with expected commercial operation date (COD) and term from February 28, 2029, through February 27, 2039; and
    d. Total amount not-to-exceed $138,000,000.

The Glossy Garlic PPA is needed to meet SVCE Board-directed clean energy targets; California's RPS and clean procurement mandates; and Resource Adequacy (RA) requirements.

BACKGROUND

In fall of 2023, Silicon Valley Clean Energy (SVCE) issued a Request for Offers (RFO) for long-term clean resources. The goal of the RFO was to secure a diverse set of renewable energy and clean capacity to meet SVCE's Renewable Portfolio Standard (RPS) and carbon-free objectives, while also complying with California's RPS and clean mandates under Senate Bill 100 ("SB 100") which set a goal of achieving a 60% RPS by 2030 and a 100% clean energy grid by 2045 with interim targets of 90% by 2035 and 95% by 2040 as provided for under Senate Bill 1020. Resources with at least ten years in term were sought to help meet Senate Bill 350 ("SB 350") which sets a long-term procurement requirement of 65% of RPS per compliance period. Glossy Garlic was shortlisted resulting from this 2023 RFO, and the PPA was developed throughout 2024. Glossy Garlic is in SVCE's service area, in unincorporated Santa Clara County, and would be SVCE's first local long-term, utility-scale project under contract.

The latest procurement effort is also consistent with SVCE's Board-directed clean energy goals of delivering 100% clean energy on an annual basis and to achieve a 75% RPS by 2030 as provided for in the Board-approved 2022 Integrated Resource Plan (2022 IRP) October 12, 2022 SVCE Board of Directors Meeting, Item 3. In support of SVCE's goals and mandates, SVCE has 21 long-term contracts for clean energy, capacity and/or reliability products totaling over $3 billion over the life of the contracts. Currently, nine resources are online and estimated to meet approximately 39% of SVCE's retail sales in 2024 with the following RPS mix: Solar + Storage: 20%, Geothermal: 11%, Wind: 8%.

in 2030, when all resources are on-line, SVCE will have achieved a 71% RPS from long-term resources and 47% of its peak capacity will be met from clean resources. Table 1 is a summary of PPAs executed to date to meet RPS, resource adequacy and/or MTR requirements.

Table 1: Board Authorized Clean Energy Contracts Executed

	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	Online
12	Terra-Gen	Cameron Crest	Wind	77.7			4.6%	15	$150	May-21	Online
13	Rev Renewables	Tumbleweed	Long Duration		15.938	127.5		15	$100	Feb-22	Construction
14	Onward	Goal Line	Long Duration		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	Online
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	Construction
		Total:		**995**	**533**	**1845**	**71.4%**		**$3,696**		

ANALYSIS & DISCUSSION

1. *VCI Energy, Inc. "Glossy Garlic"*

VCI Energy, Inc. ("VCI") is the developer of Glossy Garlic. Glossy Garlic is a 50 MW solar PV and 50 MW, 4-hour lithium-ion storage facility resource expected to contribute around 192,683 MWh PCC1 RPS energy and renewable energy certificates (RECs) per year, which will account for approximately 4% of SVCE's retail sales and count towards annual and long-term RPS requirements. The resource will offer resource adequacy (RA) attributes to help SVCE meet its annual compliance obligation. The resource is offered at a fixed-price in dollars per kilowatt-month ($/kW-mo) and dollars per megawatt-hour ($/MWh) under a ten-year term with an expected COD of February 28,2029. The project is in SVCE's service area in unincorporated Santa Clara County.

VCI Energy is a new company started in 2024 to develop utility-scale energy projects in Silicon Valley. The Glossy Garlic project was originally brought to SVCE under the ownership of V.C.I. Companies, Inc, a real estate company. VCI Energy does not yet have experience developing these types of resources, however, the company has retained consulting and engineering support from experienced engineering firms including Siemens Power Technologies International and Ulteig Renewables. This project, along with other new resources being developed in California, face development risk related to permitting, interconnection and

financing. The PPA provides for certain provisions and collateral support to mitigate the impacts of development risk. Table 2 is a summary of the key features of the Glossy Garlic PPA.

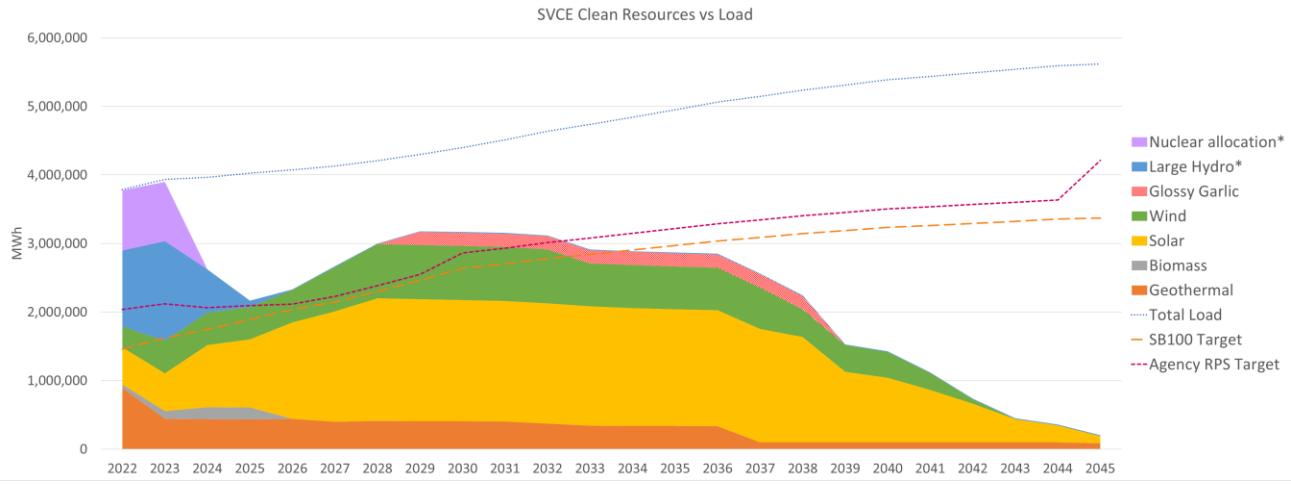
Table 2: Summary of Proposed Resources

Counterparty	VCI Energy, Inc.
Parent Company	VCI Companies
Product	New build solar PV PCC1 RPS Energy and lithium-ion battery storage
Need and/or Compliance Obligation	SVCE's 100% Clean energy goal and RPS target SB100, SB350 and B1020 Resource Adequacy (RA)
Expected Delivery Term	10 years, February 28,2029, through February 27, 2039.
Contract Capacity	50 MW solar, 50 MW, 4-hour storage (total capacity at point of interconnection is 50 MW)
Location	Santa Clara County
Percentage of Retail Load Served/RPS	4%

RPS Compliance & Integrated Resource Plan

SB100 sets annual RPS targets starting in 2020 growing to 60% in 2030 and further sets a 100% clean energy goal by 2045. SVCE's board-approved IRP further sets an RPS target of 75% by 2030. Glossy Garlic provides an estimated 192,000 MWh of RPS eligible energy per year, bringing SVCE's expected RPS in 2030 to 75.4%. Figure 1 illustrates SVCE's progress towards meeting the Board-approved and state mandated annual RPS targets as well as what the Glossy Garlic PPA would do in terms of increasing RPS under contract for SVCE.

Figure 1: SVCE Clean Energy Forecast with Glossy Garlic (2025-2040)



*Additional carbon-free allocations in 2024 and beyond are expected from PG&E's existing portfolio and a new state-wide Central Procurement Entity

SB350, passed in 2016, requires Load Serving Entities (LSE) such as SVCE to acquire a minimum of 65% of the state mandated RPS requirement through long-term PPAs (10 years or greater) starting with Compliance

Period No. 4 "CP4" (2021-2024). The mandated overall RPS for CP4 is 40%, thus the long-term RPS procurement requirement is 26%. SVCE's existing PPAs are expected to achieve a combined 27.4% RPS in CP4 from long-term resources. Glossy Garlic is expected to come on-line in 2029, helping meet long-term obligations in CP6. With the inclusion of Glossy Garlic, SVCE's long-term RPS is expected to be 77.9% in CP6, which is above California's mandated long-term RPS requirement of 36%. This number represents SVCE's position assuming all contracts are operational based on the on-line dates specified in the PPAs and that the resources perform consistent with the generation profiles provided in the PPAs as well. Table 3 shows SVCE's progress towards meeting the long-term RPS goals and mandates.

Table 3: RPS Under SB100 and SB350 Long-term Contracting Requirement per Compliance Period

	CP#4 2021-2024	CP#5 2025-2027	CP#6 2028-2030
1. State Mandated RPS per Compliance Period - % of Retail Sales	40%	50%	57%
2. State Mandated % of Mandated RPS (Row #1) to be Contracted Under RPS Long-term Contracts	65%	65%	65%
3. State Mandated % of Retail Sales with RPS Long-term Contracts (Row 2* Row 1)	**26%**	**33%**	**37%**
4. SVCE: Current Compliance with Row #3: Existing RPS Achieved with Long-term Contracts	27.4%	62.2%	73.9%
5. SVCE: RPS Achieved with Glossy Garlic	**27.4%**	**62.2%**	**77.9%**
Open Position relative to State Mandate (Row #3) +Above/ (-) Short	**+1.4%**	**+29.2%**	**+40.9%**

Resource Adequacy Capacity

SVCE has an obligation to procure sufficient capacity to meet grid reliability as prescribed by the CPUC's RA Program. Resources such as Glossy Garlic which pair solar and storage effectively contribute clean capacity towards SVCE's RA requirements. Further, the one-to-one ratio of solar to storage, will help ensure SVCE meets its RA obligation under the new counting and compliance requirements known as Slice Of Day.

Clean Energy and Capacity

SVCE works towards a 100% clean energy goal measured annually. This will be achieved through a mix of RPS-eligible resources including wind, solar and geothermal combined with non-RPS eligible, but carbon-free resources such as large hydroelectricity and nuclear allocations from Pacific Gas and Electric. While SVCE's clean goal is ambitious, the Board has directed staff to evaluate a pathway to achieving a portfolio whereby load and resources are better matched in all hours of the day. To achieve this objective, staff must balance the need to also achieve reliability and affordability objectives and as such, staff undertook a study of various portfolio clean pathways by 2045. The results were shared with the Board at its September 2024 meeting and a staff recommendation to the Board to define a clean metric and target will be provided by the end of 2024.

Strategically, resources which can deliver clean energy in all hours of the day, such as geothermal, will best help SVCE balance its objectives however such resources are scarce. Solar plus storage resources such as Glossy Garlic help achieve a more sustainable grid by pushing out solar generation in later hours of the day, when demand peaks. These types of resources are necessary to meet current retail product needs including GreenStart, GreenPrime and GreenPrime Direct in addition to help us build a pathway to 24/7 clean energy.

SVCE does not have a clean capacity goal. Currently, short-term natural gas RA-only capacity contracts account for the majority of SVCE's RA portfolio. In 2022, 80% of SVCE's requirements were from RA-only contracts. By including Gossy Garlic into the portfolio, Energy Source from solar increases by 4% and RA credit increases by close to 4%. Table 4 is an illustration of SVCE's energy and capacity portfolio in 2030.

Table 4: Energy and RA Capacity Portfolio with Glossy Garlic – Estimated for 2030

Estimated for 2028	Annual Energy (GWh)	Energy Source as a Percent of Total Retail Sales	Capacity Source as a Percent of Total RA Requirement
Biomass	0	0%	0%
Geothermal	385	9%	4%
Solar with Glossy Garlic	2,004	47%	6%
Wind	633	15%	6%
Large Hydroelectric	1,265	29%	0%
Battery Storage with Glossy Garlic	0	0%	35%
Natural Gas RA-only	0	0%	40
Hanford – Natural Gas	Est. 8	0.2%	9%
Total	4,286	100%	100%

ALTERNATIVE

While Glossy Garlic is necessary to meet overall RPS goals, the Board may decide not to approve this RPS resource and instead procure short-term resources or procure additional resources from the 2024 Carbon Free Energy and Standalone Storage Projects RFO (2024 RFO). Staff does not recommend procuring short-term resources, as renewable resources are scarce, and the cost of short-term RECs far exceeds the implied REC cost associated with Glossy Garlic. Additionally, while SVCE may procure additional long-term resources through its current 2024 RFO, Glossy Garlic was evaluated against new offers and remains an attractive project to provide clean energy in 2029-2039.

STRATEGIC PLAN

Board approval to delegate authority to the CEO to finalize and execute the Glossy Garlic PPA will enable staff to meet the current board directed clean targets and California mandates for RPS, clean energy and reliability consistent with goals and objective as outlines in SVCE's Strategic Plan, including:

Goal 2: Long-term, target for 100% clean energy annually by building a balanced portfolio with consideration for both affordability and reliability while exploring long-term pathways to clean power supply.

Goal 4: Acquire power supply resources in a cost-effective manner to meet legislative and regulatory obligations, Board directives and customer specific products.

FISCAL IMPACT

Ultimate execution of the agreements will result in cost to SVCE starting in Fiscal Year (FY) 2029 for Glossy Garlic PPA, which will be included in the budget at that time. Staff's spending authority over the life of the projects will be limited to the amount recommended including $138,000,000 for Glossy Garlic.

With the inclusion of the proposed contract, SVCE's total expected lifetime cost is $3.83 billion across all Clean Energy PPAs, $138 million higher than in Table 1 above.

ATTACHMENTS

1. Glossy Garlic Power Purchase Agreement – redacted version

CONFIDENTIAL: EXECUTION VERSION

RENEWABLE POWER PURCHASE AGREEMENT

COVER SHEET

Seller: VCI Energy, Inc., a California corporation

Buyer: Silicon Valley Clean Energy Authority, a California joint powers authority

Description of Facility: A 50 MW solar photovoltaic facility plus a 50 MW/200 MWh battery energy storage system, located in Santa Clara County, in the State of California, as further described in Exhibit A.

Milestones:

Milestone	Date for Completion
Evidence of Site Control	8/11/2023
CEC Precertification Obtained	12/1/2025
Documentation of Conditional Use Permit if required: [X] CEQA, [ ] Cat Ex, [ ] Neg Dec, [ ] Mitigated Neg Dec, [X] EIR	9/1/2025
Seller's receipt of Phase I and Phase II Interconnection study results for Seller's Interconnection Facilities	4/30/2026
Executed Interconnection Agreement	12/31/2026
Guaranteed Construction Start Date	6/30/2027
Network Upgrades completed	6/30/2028
Full Capacity Deliverability Status Obtained	6/30/2028
Initial Synchronization	9/30/2028
Guaranteed Commercial Operation Date	2/28/2029

Delivery Term: The period for Product delivery will be for ten (10) Contract Years.

Expected Energy: The amount of Expected Energy for each Contract Year is set forth below.

Contract Year	Expected Energy (MWh)
1	[redacted]
2	[redacted]
3	[redacted]

4	[redacted]
5	[redacted]
6	[redacted]
7	[redacted]
8	[redacted]
9	[redacted]
10	[redacted]

Guaranteed Capacity: 50 MW(ac)

Storage Contract Capacity: 50 MW(ac)

Storage Contract Output: 200 MWh

Guaranteed Efficiency Rate: [redacted]

Minimum Efficiency Rate: [redacted]

Delivery Point: Facility PNode

Contract Price:

The Renewable Rate shall be:

Contract Year	Renewable Rate
1 – 10	[redacted]

The Storage Rate shall be:

Contract Year	Storage Rate
1 – 10	[redacted]

Product:

- ☑ PV Energy
- ☑ Discharging Energy
- ☑ Green Attributes (Portfolio Content Category 1)
- ☑ Storage Capacity
- ☑ Capacity Attributes (select options below as applicable)

- ☐ Energy Only Status
- ☑ Full Capacity Deliverability Status
- ☑ System RAR
- ☑ Local RAR
- ☑ Flexible RAR

☑ Ancillary Services

Scheduling Coordinator: Buyer/Buyer Third Party

Development Security: [redacted]

Performance Security: [redacted]

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RENEWABLE POWER PURCHASE AGREEMENT

This Renewable Power Purchase Agreement ("**Agreement**") is entered into as of [*Date*] (the "**Effective Date**"), between Buyer and Seller. Buyer and Seller are sometimes referred to herein individually as a "**Party**" and jointly as the "**Parties**." All capitalized terms used in this Agreement are used with the meanings ascribed to them in Article 1 to this Agreement.

RECITALS

WHEREAS, Seller intends to develop, design, permit, construct, own or otherwise control, and operate the Facility; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, on the terms and conditions set forth in this Agreement, the Product.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

ARTICLE 1
DEFINITIONS

1.1 **Contract Definitions**. The following terms, when used herein with initial capitalization, shall have the meanings set forth below:

"**AC**" means alternating current.

"**Accepted Compliance Costs**" has the meaning set forth in Section 3.11(d).

"**Adjusted Energy Production**" has the meaning set forth in Exhibit G.

"**Administrative NQC Reduction**" [redacted]

"**Affiliate**" means, with respect to any Person, each Person that directly or indirectly controls, is controlled by, or is under common control with such designated Person. For purposes of this definition, the definition of "Change of Control," and the definition of "Permitted Transferee", "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean (a) the direct or indirect right to cast at least fifty percent (50%) of the votes exercisable at an annual general meeting (or its equivalent) of such Person or, if there are no such rights, ownership of at least fifty percent (50%) of the equity or other ownership interest in such Person, or (b) the right to direct the policies

or operations of such Person. For purposes of this Agreement, Valuable Capital Investment, Inc., shall be deemed an Affiliate of Seller.

"**Agreement**" has the meaning set forth in the Preamble and includes any Exhibits, schedules and any written supplements hereto, the Cover Sheet, and any designated collateral, credit support or similar arrangement between the Parties.

"**Ancillary Services**" means all ancillary services, products and other attributes, if any, associated with the Facility, including spinning reserve, non-spinning reserve, regulation up, regulation down, as each is defined in the CAISO Tariff, and any other ancillary services added to the Agreement in accordance with Section 4.1(c).

"**Approved Forecast Vendor**" means a vendor reasonably acceptable to both Buyer and Seller, for the purposes of providing or verifying the forecasts under Section 4.3(d).

"**Automated Dispatch System**" or "**ADS**" has the meaning set forth in the CAISO Tariff.

"**Availability Adjusted Storage Contract Capacity**" has the meaning set forth in Exhibit P.

"**Availability Adjustment**" has the meaning set forth in Exhibit P.

"**Available Generating Capacity**" means the capacity of the Generating Facility, expressed in whole MWs, that is mechanically available to generate energy.

"**Bankrupt**" or "**Bankruptcy**" means with respect to any entity, such entity that (a) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar Law, (b) has any such petition filed or commenced against it which remains unstayed or undismissed for a period of ninety (90) days, (c) makes an assignment or any general arrangement for the benefit of creditors, (d) otherwise becomes bankrupt or insolvent (however evidenced), (e) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets, or (f) is generally unable to pay its debts as they fall due.

"**Business Day**" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday in California. A Business Day begins at 8:00 a.m. and ends at 5:00 p.m. local time for the Party sending a Notice, or payment, or performing a specified action.

"**Buyer**" means Silicon Valley Clean Energy Authority, a California joint powers authority.

"**Buyer Bid Curtailment**" means the occurrence of both of the following:

(a) the CAISO provides notice to a Party or the Scheduling Coordinator, requiring the Generating Facility to deliver less PV Energy than the full amount of energy forecasted in accordance with Section 4.3 to be produced from the Generating Facility for a period of time; and

(b) for the same time period as referenced in (a), the notice referenced in (a) results from Buyer or the SC for the Generating Facility:

(i) not having submitted a Self-Schedule or Energy Supply Bid for the MW subject to the reduction;

(ii) having submitted an Energy Supply Bid and the MW subject to the reduction were not awarded a schedule in connection with such Energy Supply Bid; or

(iii) having submitted a Self-Schedule for less than the full amount of PV Energy forecasted to be generated by or delivered from the Facility.

If the Generating Facility is subject to a Planned Outage, Forced Facility Outage, Force Majeure Event and/or a Curtailment Period during the same time period as referenced in (a), then the calculation of Deemed Delivered Energy during such period shall not include any PV Energy that was not generated due to such Planned Outage, Forced Facility Outage, Force Majeure Event or Curtailment Period.

"**Buyer Curtailment Order**" means the instruction from Buyer to Seller to reduce PV Energy from the Generating Facility by the amount, and for the period of time set forth in such instruction, for reasons unrelated to a Planned Outage, Forced Facility Outage, Force Majeure Event and/or Curtailment Order. Any Buyer Curtailment Order shall be consistent with the Operating Restrictions set forth in this Agreement.

"**Buyer Curtailment Period**" means the period of time, as measured using current Settlement Intervals, during which Seller reduces PV Energy from the Generating Facility pursuant to or as a result of (a) Buyer Bid Curtailment, (b) a Buyer Curtailment Order, or (c) a Buyer Event of Default hereunder which results in PV Energy not being delivered to the Delivery Point; *provided*, the duration of any Buyer Curtailment Period shall be inclusive of the time required for the Generating Facility to ramp down and ramp up.

"**Buyer Default**" means a failure by Buyer (or its agents) to perform Buyer's obligations hereunder, and includes an Event of Default of Buyer.

"**Buyer's WREGIS Account**" has the meaning set forth in Section 4.10(a).

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

"**CAISO Approved Meter**" means a CAISO approved revenue quality meter or meters, CAISO approved data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, PV Energy, Charging Energy, and Discharging Energy.

"**CAISO Grid**" has the same meaning as "CAISO Controlled Grid" as defined in the CAISO Tariff.

"**CAISO Operating Order**" has the same meaning as "Operating Instruction" as defined in the CAISO Tariff.

"**CAISO Resource ID**" has the same meaning as "Resource ID" as defined in the CAISO Tariff.

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

"**California Renewables Portfolio Standard**" or "**RPS**" means the renewable energy program and policies established by California State Senate Bills 1038 (2002), 1078 (2002), 107 (2008), X-1 2 (2011), 350 (2015), and 100 (2018) as codified in, *inter alia*, California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

"**Capacity Attribute**" means any current or future defined characteristic, certificate, tag, credit, or accounting construct associated with the amount of power that the Storage Facility can generate and deliver to the Delivery Point at a particular moment and that can be purchased and sold under CAISO market rules, including Resource Adequacy Benefits.

"**Capacity Damages**" has the meaning set forth in Exhibit B.

"**CEC**" means the California Energy Commission, or any successor agency performing similar statutory functions.

"**CEC Certification and Verification**" means that the CEC has certified (or, with respect to periods before the date that is one hundred eighty (180) days following the Commercial Operation Date, that the CEC has pre-certified) that the Generating Facility is an Eligible Renewable Energy Resource for purposes of the California Renewables Portfolio Standard and that all PV Energy delivered to the Delivery Point qualifies as generation from an Eligible Renewable Energy Resource.

"**CEC Precertification**" means that the CEC has issued a precertification for the Facility indicating that the planned operations of the Facility would comply with applicable CEC requirements for CEC Certification and Verification.

"**CEQA**" means the California Environmental Quality Act.

"**Change of Control**" means any circumstance in which Ultimate Parent ceases to control Seller or own, directly or indirectly through one or more intermediate entities, more than fifty percent (50%) of the outstanding equity interests in Seller; *provided* that in calculating ownership percentages for all purposes of the foregoing:

(a) any ownership interest in Seller held by Ultimate Parent indirectly through one or more intermediate entities shall not be counted towards Ultimate Parent's ownership interest in Seller unless Ultimate Parent directly or indirectly owns more than fifty percent (50%) of the

outstanding equity interests in each such intermediate entity; and

(b) ownership interests in Seller owned directly or indirectly by any Lender (including any tax equity provider) or assignee or transferee thereof shall be excluded from the total outstanding equity interests in Seller.

"**Charging Energy**" means all energy delivered to the Storage Facility pursuant to a Charging Notice, net of Station Use and Electrical Losses, as measured by the Storage Facility Meter(s) in accordance with CAISO metering requirements. Buyer is responsible for the cost of all Charging Energy in accordance with Section 4.1, except during a Storage Capacity Test, in which case Seller is responsible for the cost of Charging Energy in accordance with Section 4.9(b). For avoidance of doubt, Buyer understands and acknowledges that when Charging Energy is from the CAISO Grid, the amount of Charging Energy at the Storage Facility Meter will be less than the amount of Charging Energy at the Delivery Point. Except during a Storage Capacity Test when Seller is responsible for the cost of Charging Energy in accordance with Section 4.9(b), Seller share bare no cost associated with the difference in metered energy between the Delivery Point and the Storage Facility Meter.

"**Charging Notice**" means the operating instruction, and any subsequent updates, given by Buyer to Seller, directing the Storage Facility to charge with Charging Energy at a specific MW rate to a specified Stored Energy Level; *provided* that any such operating instruction shall be in accordance with the Operating Restrictions. Any Charging Notice shall not constitute a Buyer Bid Curtailment, Buyer Curtailment Order or Curtailment Order. Any instruction to charge the Storage Facility during a Storage Capacity Test shall be considered a Charging Notice.

"**Claim**" has the meaning set forth in Section 16.2(a).

"**COD Certificate**" has the meaning set forth in Exhibit B.

"**Collateral Assignment Agreement**" has the meaning set forth in Section 14.2.

"**Commercial Operation**" has the meaning set forth in Exhibit B.

"**Commercial Operation Date**" has the meaning set forth in Exhibit B.

"**Commercial Operation Delay Damages**" [redacted]

"**Compliance Actions**" has the meaning set forth in Section 3.11(b).

"**Compliance Costs**" has the meaning set forth in Section 3.11(a).

"**Compliance Expenditure Cap**" has the meaning set forth in Section 3.11(a).

"**Confidential Information**" has the meaning set forth in Section 18.1.

"**Construction Start**" has the meaning set forth in Exhibit B.

"**Construction Start Date**" has the meaning set forth in Exhibit B.

"**Contract Price**" has the meaning set forth on the Cover Sheet. For clarity, the Contract Price is each of the Renewable Rate and the Storage Rate.

"**Contract Term**" has the meaning set forth in Section 2.1(a).

"**Contract Year**" means a period of twelve (12) consecutive months. The first Contract Year shall commence on the Commercial Operation Date and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

"**Costs**" means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third-party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged or financed its obligations or entering into new arrangements which replace the Agreement; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with terminating the Agreement.

"**Cover Sheet**" means the cover sheet to this Agreement, which is incorporated into this Agreement.

"**CPM Soft Offer Cap**" has the meaning set forth in Section 43A.4.1.1 of the CAISO Tariff.

"**CPUC**" means the California Public Utilities Commission or any successor agency performing similar statutory functions.

"**CPUC Master Resource Database**" means the CPUC Energy Division database of generation, energy storage and other resources qualified to provide RA capacity to load serving entities as may be revised from time to time.

"**CPUC System RA Penalty**" means System RA penalties assessed to Buyer in accordance with the terms of the RA Compliance Guide that result from a failure of Seller's unexcused performance.

"**Credit Rating**" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P or Moody's. If ratings by S&P and Moody's are not equivalent, the lower rating shall apply.

"**Curtailment Cap**" [redacted]

"**Curtailment Order**" means any of the following:

(a) CAISO orders, directs, alerts, or provides notice to a Party, including a CAISO Operating Order, to curtail deliveries of PV Energy and/or Facility Energy for the following reasons: (i) any System Emergency, or (ii) any warning of an anticipated System Emergency, or

warning of an imminent condition or situation, which jeopardizes CAISO's electric system integrity or the integrity of other systems to which CAISO is connected;

(b) a curtailment ordered by the Participating Transmission Owner for reasons including, but not limited to, (i) any situation that affects normal function of the electric system including, but not limited to, any abnormal condition that requires action to prevent circumstances such as equipment damage, loss of load, or abnormal voltage conditions, or (ii) any warning, forecast or anticipation of conditions or situations that jeopardize the Participating Transmission Owner's electric system integrity or the integrity of other systems to which the Participating Transmission Owner is connected;

(c) a curtailment ordered by CAISO or the Participating Transmission Owner due to scheduled or unscheduled maintenance on the Participating Transmission Owner's transmission facilities that prevents (i) Buyer from receiving or (ii) Seller from delivering Facility Energy to the Delivery Point; or;

(d) a curtailment ordered by CAISO or the Participating Transmission Owner due to (i) a lack of available interconnection capacity for the Facility or (ii) in accordance with Seller's obligations under its Interconnection Agreement with the Participating Transmission Owner or distribution operator.

"**Curtailment Period**" means the period of time, as measured using current Settlement Intervals, during which generation from the Generating Facility is reduced pursuant to a Curtailment Order; *provided* that the Curtailment Period shall be inclusive of the time required for the Generating Facility to ramp down and ramp up.

"**Daily Delay Damages**" [redacted]

"**Damage Payment**" [redacted]

"**Day-Ahead Forecast**" has the meaning set forth in Section 4.3(c).

"**Day-Ahead Market**" has the meaning set forth in the CAISO Tariff.

"**Day-Ahead Schedule**" has the meaning set forth in the CAISO Tariff.

"**Dedicated Interconnection Capacity**" has the meaning set forth in Exhibit A.

"**Deemed Delivered Energy**" [redacted]

"**Deemed Delivered PV RA**" [redacted]

"**Deemed Delivered Storage RA**" [redacted]

"**Defaulting Party**" has the meaning set forth in Section 11.1(a).

"**Deficient Month**" has the meaning set forth in Section 4.10(e).

"**Delivered PV RA**" [redacted]

"**Delivered Storage RA**" [redacted]

"**Delivery Point**" has the meaning set forth in Exhibit A.

"**Delivery Term**" shall mean the period of Contract Years set forth on the Cover Sheet beginning on the Commercial Operation Date, unless terminated earlier in accordance with the terms and conditions of this Agreement.

"**Development Cure Period**" has the meaning set forth in Exhibit B.

"**Development Security**" means (a) cash or (b) a Letter of Credit in the amount set forth on the Cover Sheet.

"**Discharging Energy**" means all energy delivered to the Delivery Point from the Storage Facility, net of Station Use and Electrical Losses, as measured at the Storage Facility Metering Points by the Storage Facility Meter(s) in accordance with CAISO metering requirements. For the avoidance of doubt, all Discharging Energy will have originally been delivered to the Storage Facility as Charging Energy.

"**Discharging Notice**" means the operating instruction, and any subsequent updates, given by Buyer to Seller, directing the Storage Facility to discharge Discharging Energy at a specific MW rate to a specified Stored Energy Level; *provided* that any such operating instruction or updates shall be in accordance with the Operating Restrictions. For the avoidance of doubt, any Discharging Notice shall not constitute a Buyer Bid Curtailment, Buyer Curtailment Order or Curtailment Order.

"**Disclosing Party**" has the meaning set forth in Section 18.2.

"**Early Termination Date**" has the meaning set forth in Section 11.2(a).

"**Effective Date**" has the meaning set forth on the Preamble.

"**Efficiency Rate**" means the measured round-trip efficiency rate of the Storage Facility, expressed as a percentage, calculated pursuant to a Storage Capacity Test in accordance with Exhibit O.

"**Eligible Intermittent Resource Protocol**" or "**EIRP**" has the meaning set forth in the CAISO Tariff or a successor CAISO program for intermittent resources.

"**Electrical Losses**" means, subject to meeting any applicable CAISO requirements, the following transmission or transformation losses incurred between the Facility and the Delivery Point due to the following: (a) delivery of PV Energy to the Delivery Point, (b) delivery of PV Energy to the Storage Facility, (c) delivery of Charging Energy from the CAISO Grid to the Storage Facility when Seller is providing the Charging Energy, and (d) delivery of Discharging Energy to the Delivery Point, calculated in accordance with CAISO approved methodologies applicable to revenue metering.

"**Eligible Renewable Energy Resource**" has the meaning set forth in California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25741(a), as either code provision is amended or supplemented from time to time.

"**Energy Supply Bid**" has the meaning set forth in the CAISO Tariff.

"**Event of Default**" has the meaning set forth in Section 11.1.

"**Excess MWh**" has the meaning set forth in Exhibit C.

"**Executed Interconnection Agreement Milestone**" means the date for completion of execution of the Interconnection Agreement by Seller and the PTO, as set forth on the Cover Sheet.

"**Expected Energy**" means the total quantity of energy that Seller expects to be able to deliver to Buyer from the Generating Facility during each Contract Year or other time period (assuming no Charging Energy or Discharging Energy during such Contract Year or time period) in the quantity specified on the Cover Sheet, as may be adjusted pursuant to Section 5 of Exhibit B.

"**Facility**" means the Generating Facility and the Storage Facility.

"**Facility Energy**" means the sum of PV Energy and Discharging Energy during any Settlement Interval or Settlement Period, net of Electrical Losses and Station Use, as measured by the Generating Facility Meter or Storage Facility Meter, as applicable, which meters will be adjusted in accordance with CAISO metering requirements to account for Electrical Losses and Station Use.

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

"**Fitch**" means Fitch Ratings Ltd., or its successor.

"**Flexible RAR**" means Resource Adequacy Benefits that are eligible to satisfy the flexible Resource Adequacy Requirements established for load-serving entities by the CAISO pursuant to the CAISO Tariff, the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority.

"**Force Majeure Event**" has the meaning set forth in Section 10.1.

"**Forced Facility Outage**" means an unexpected failure of one or more components of the Facility that prevents Seller from generating PV Energy, receiving Charging Energy or making Discharging Energy available at the Delivery Point and that is not the result of a Force Majeure Event.

"**Forecasting Penalty**" means for each hour in which Seller does not provide the forecast required in Section 4.3(d), the product of (a) the absolute difference (if any) between (i) the expected energy for such hour (which, for the avoidance of doubt, assumes no Charging Energy or Discharging Energy in such hour) set forth in the Day-Ahead Forecast, or if there is no Day-Ahead Forecast, then the Monthly Delivery Forecast, and (ii) the actual PV Energy produced by the Generating Facility (absent any Charging Energy and Discharging Energy), multiplied by (b) the absolute value of the Real-Time Price in such hour.

"**Forward Certificate Transfers**" has the meaning set forth in Section 4.10(a).

"**Full Capacity Deliverability Status**" has the meaning as such term is defined in the CAISO Tariff.

"**Full Capacity Deliverability Status Obtained**" means the Milestone date set forth in the Cover Sheet that is the date the Facility is expected to achieve Full Capacity Deliverability Status.

"**Future Environmental Attributes**" shall mean any and all generation attributes (other than Green Attributes or Renewable Energy Incentives) under the RPS regulations or under any and all other international, federal, regional, state or other law, rule, regulation, bylaw, treaty or other intergovernmental compact, decision, administrative decision, program (including any voluntary compliance or membership program), competitive market or business method (including all credits, certificates, benefits, and emission measurements, reductions, offsets and allowances related thereto) that are attributable, now, or in the future, to the generation of electrical energy by the Facility and its displacement of conventional energy generation. Future Environmental Attributes do not include investment tax credits or production tax credits associated with the construction or operation of the Facility, or other financial incentives in the form of credits, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation.

"**Gains**" means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner. Factors used in determining the economic benefit to a Party may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., SP-15), all of which should be calculated for the remaining Contract Term, and include the value of Green Attributes and Capacity Attributes.

"**Generating Facility**" means the solar photovoltaic generating facility described on the Cover Sheet and in Exhibit A, located at the Site and including mechanical equipment and associated facilities and equipment required to deliver (a) PV Energy to the Delivery Point, (b) Charging Energy to the Storage Facility; *provided*, that the "Generating Facility" does not include the Storage Facility or the Shared Facilities.

"**Generating Facility Meter**" means the CAISO Approved Meter, along with a compatible data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, the amount of PV Energy delivered to the Generating Facility Metering Point for the purpose of invoicing in accordance with Section 8.1. For clarity, the Generating Facility may contain multiple measurement devices that will make up the Generating Facility Meter, and, unless otherwise indicated, references to the Generating Facility Meter shall mean all such measurement devices and the aggregated data of all such measurement devices, taken together.

"**GEP Damages**" has the meaning set forth in Section 4.7.

"**Governmental Authority**" means any federal, state, provincial, local or municipal government, any political subdivision thereof or any other governmental, congressional or

parliamentary, regulatory, or judicial instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law, including CAISO; *provided*, *however*, that "Governmental Authority" shall not in any event include any Party.

"**Green Attributes**" means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Facility and its displacement of conventional energy generation. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Facility, (ii) production tax credits associated with the construction or operation of the Facility and other financial incentives in the form of credits, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Facility for compliance with local, state, or federal operating or air quality permits.

"**Green Tag Reporting Rights**" means the right of a purchaser of renewable energy to report ownership of accumulated "green tags" in compliance with and to the extent permitted by applicable Law and include, without limitation, rights under Section 1605(b) of the Energy Policy Act of 1992, and any present or future federal, state or local certification program or emissions trading program, including pursuant to the WREGIS Operating Rules.

"**Guaranteed Capacity**" means the total generating capacity of the Generating Facility, as measured in MW at the Delivery Point, set forth on the Cover Sheet, as the same may be adjusted pursuant to Section 5(a) of Exhibit B.

"**Guaranteed Commercial Operation Date**" means the Guaranteed Commercial Operation Date, as set forth on the Cover Sheet, as such date may be extended by the Development Cure Period.

"**Guaranteed Construction Start Date**" means the Guaranteed Construction Start Date, as set forth on the Cover Sheet, as such date may be extended by the Development Cure Period.

"**Guaranteed Efficiency Rate**" means the guaranteed Efficiency Rate of the Storage Facility throughout the Delivery Term, as set forth on the Cover Sheet.

"**Guaranteed Energy Production**" [redacted]

"**Guaranteed PV RA Amount**" [redacted]

"**Guaranteed Storage Availability**" has the meaning set forth in Section 4.8(a).

"**Guaranteed Storage RA Amount**" [redacted]

"**Guarantor**" [redacted]

"**Guaranty**" means a guaranty from a Guarantor provided for the benefit of Buyer substantially in the form attached as Exhibit L.

"**Imbalance Energy**" means the amount of energy in MWh, in any given Settlement Period or Settlement Interval, by which the amounts of PV Energy, Charging Energy, or Discharging Energy deviates from the amount of Scheduled Energy.

"**Indemnifiable Loss(es)**" has the meaning set forth in Section 16.1(a).

"**Indemnified Group**" has the meaning set forth in Section 16.1(a).

"**Indemnified Party**" has the meaning set forth in Section 16.1(a).

"**Indemnifying Party**" has the meaning set forth in Section 16.1(a).

"**Initial Synchronization**" means the initial delivery of Facility Energy to the Delivery Point.

"**Installed Battery Capacity**" means the maximum dependable operating capability of the Storage Facility to discharge electric energy, not to exceed the Storage Contract Capacity set forth on the Cover Sheet, as measured in MW(ac) at the Delivery Point, that achieves Commercial Operation, adjusted for ambient conditions on the date of the performance test, and as evidenced by a certificate substantially in the form attached as Exhibit I hereto.

"**Installed PV Capacity**" means the actual generating capacity of the Generating Facility, not to exceed the Guaranteed Capacity, as measured in MW(ac) at the Delivery Point, that achieves

Commercial Operation, as demonstrated by a performance test, adjusted for ambient conditions on the date of the performance test, and as evidenced by a certificate substantially in the form attached as Exhibit I hereto.

"**Interconnection Agreement**" means the interconnection agreement entered into by Seller or an Affiliate pursuant to which the Facility will be interconnected with the Transmission System, and pursuant to which Seller's Interconnection Facilities and any other Interconnection Facilities will be constructed, operated and maintained during the Contract Term.

"**Interconnection Facilities**" means the interconnection facilities, control and protective devices and metering facilities required to connect the Facility with the Transmission System in accordance with the Interconnection Agreement.

"**Interest Rate**" has the meaning set forth in Section 8.2.

"**Inter-SC Trade**" or "**IST**" has the meaning set forth in the CAISO Tariff.

"**Investment Grade Credit Rating**" [redacted]

"**ITC**" means the investment tax credit established pursuant to Section 48 of the United States Internal Revenue Code of 1986.

"**Joint Powers Act**" means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.).

"**Joint Powers Agreement**" means that certain Joint Powers Agreement dated March 31, 2016, as amended from time to time, under which Buyer is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

"**Law**" means any applicable law, statute, rule, regulation, decision, writ, order, decree or judgment, permit or any interpretation thereof, promulgated or issued by a Governmental Authority.

"**Lender**" means, collectively, any Person (a) providing senior or subordinated construction, interim, back leverage or long-term debt, or tax equity financing or refinancing for or in connection with the development, construction, purchase, installation or operation of the Facility, whether that financing or refinancing takes the form of private debt (including back-leverage debt), tax equity financing, public debt or any other form (including financing or refinancing provided to a member or other direct or indirect owner of Seller), including any Person directly or indirectly providing financing or refinancing for the Facility or purchasing equity ownership interests of Seller or its Affiliates in connection with a tax equity transaction, and any trustee or agent or similar representative acting on their behalf, (b) providing interest rate or commodity protection under an agreement hedging or otherwise mitigating the cost of any of the foregoing obligations or (c) participating in a lease financing (including a sale leaseback or leveraged leasing structure) with respect to the Facility.

"**Letter(s) of Credit**" [redacted]

"**Licensed Professional Engineer**" means an independent, professional engineer selected by Seller and reasonably acceptable to Buyer, licensed in the State of California.

"**Limited Assignee**" has the meaning set forth in Section 14.4.

"**Local RAR**" means Resource Adequacy Benefits that are eligible to satisfy the local Resource Adequacy Requirements established for load-serving entities by the CAISO pursuant to the CAISO Tariff, the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority. "Local RAR" may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.

"**Locational Marginal Price**" or "**LMP**" has the meaning set forth in the CAISO Tariff.

"**Losses**" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of this Agreement for the remaining Contract Term, determined in a commercially reasonable manner. Factors used in determining economic loss to a Party may include, without limitation, reference to information supplied by one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including without limitation, quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs (e.g., SP-15), all of which should be calculated for the remaining Contract Term and must include the value of Green Attributes, Capacity Attributes, and Renewable Energy Incentives.

"**Lost Output**" has the meaning set forth in Section 4.7.

"**Major Equipment**" means any inverter, transformer, enclosure, or battery comprising the Storage Facility, spares of which are not readily available to Seller for replacement acting in accordance with Prudent Operating Practice.

"**Master File**" has the meaning set forth in the CAISO Tariff.

"**Material Terms**" has the meaning set forth in Section 10.5(a).

"**Maximum Charging Capacity**" has the meaning set forth in in Exhibit A.

"**Maximum Discharging Capacity**" has the meaning set forth in Exhibit A.

"**Maximum Hourly RA Capacity**" means, for any Showing Month, the highest hourly quantity of Qualifying Capacity that the Generating Facility is available to provide in such

Showing Month.

"**Milestones**" means the development activities for significant permitting, interconnection, financing and construction milestones set forth on the Cover Sheet.

"**Minimum Efficiency Rate**" means the percentage specified on the Cover Sheet.

"**Monthly Delivery Forecast**" has the meaning set forth in Section 4.3(b).

"**Monthly Storage Availability**" has the meaning set forth in Exhibit P.

"**Moody's**" means Moody's Investors Service, Inc., or its successors.

"**MW**" means megawatts in alternating current, unless expressly stated in terms of direct current.

"**MWh**" means megawatt-hour measured in alternating current, unless expressly stated in terms of direct current.

"**Negative LMP**" means, in any Settlement Period or Settlement Interval, the Day-Ahead Market or Real-Time Market LMP at the Facility's PNode is less than Zero Dollars ($0).

"**Negative LMP Costs**" has the meaning set forth in Exhibit C.

"**NERC**" means the North American Electric Reliability Corporation or any successor entity performing similar functions.

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

"**Network Upgrades**" has the meaning set forth in the CAISO Tariff.

"**Non-Defaulting Party**" has the meaning set forth in Section 11.2.

"**Notice**" shall, unless otherwise specified in the Agreement, mean written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, or electronic messaging (e-mail).

"**Notice of Claim**" has the meaning set forth in Section 16.2.

"**On-Peak Hour**" means any hour from hour-ending 0700 to hour-ending 2200 (i.e., 6:00 AM to 9:59 PM), Pacific Prevailing Time, all seven days of the week, but excluding North American Electric Reliability Council (NERC) holidays.

"**Operating Restrictions**" means those rules, requirements, and procedures set forth on Exhibit Q.

"**Participating Transmission Owner**" or "**PTO**" means an entity that owns, operates and maintains transmission or distribution lines and associated facilities or has entitlements to use certain transmission or distribution lines and associated facilities where the Facility is

interconnected. For purposes of this Agreement, the Participating Transmission Owner is set forth in Exhibit A.

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

"**Performance Measurement Period**" means each two (2) consecutive Contract Year period during the Delivery Term.

"**Performance Security**" means (a) cash or (b) a Letter of Credit or (c) a Guaranty in the amount set forth on the Cover Sheet.

"**Permitted Transferee**" means (a) any Affiliate of Seller or (b) any entity that satisfies, or is controlled by another Person that satisfies, the following requirements:

(i) [redacted]

(ii) [redacted]

"**Person**" means any individual, sole proprietorship, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, incorporated organization, institution, public benefit corporation, unincorporated organization, government entity or other entity.

"**Planned Outage**" means a period during which the Facility is either in whole or in part not capable of providing service due to planned maintenance that has been scheduled in advance in accordance with Section 4.6(a).

"**PNode**" has the meaning set forth in the CAISO Tariff.

"**Portfolio Content Category**" means PCC1, PCC2 or PCC3, as applicable.

"**Portfolio Content Category 1**" or "**PCC1**" means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

"**Portfolio Content Category 2**" or "**PCC2**" means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(2), as may be amended from time to time or as further defined or supplemented by Law.

"**Portfolio Content Category 3**" or "**PCC3**" means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(3), as may be amended from time to time or as further defined or supplemented by Law.

"**Product**" has the meaning set forth on the Cover Sheet.

"**Progress Report**" means a progress report including the items set forth in Exhibit E.

"**Prudent Operating Practice**" means (a) the applicable practices, methods and acts required by or consistent with applicable Laws and reliability criteria, and otherwise engaged in or approved by a significant portion of the electric utility and independent power producer industry during the relevant time period with respect to grid-interconnected, utility-scale generating facilities with integrated storage in the Western United States, or (b) any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Operating Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to acceptable practices, methods or acts generally accepted in the industry with respect to grid-interconnected, utility-scale generating facilities with integrated storage in the Western United States. Prudent Operating Practice includes compliance with applicable Laws, applicable reliability criteria, and the criteria, rules and standards promulgated in the National Electric Safety Code and the National Electrical Code, as they may be amended or superseded from time to time, including the criteria, rules and standards of any successor organizations.

"**PTC**" means the production tax credit established pursuant to Section 45 of the United States Internal Revenue Code of 1986.

"**PV Energy**" means all energy that is generated by the Generating Facility, as measured by the Generating Facility Meter after adjustment to exclude (a) all Electrical Losses, and (b) all energy consumed for Station Use.

"**PV RA Shortfall**" means, for a given Showing Month, the difference, expressed in MW, of (a) the Guaranteed PV RA Amount minus (b) the Delivered PV RA. If the result of the calculation is a negative number, the PV RA Shortfall shall be deemed to be zero MW for such Showing Month.

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

"**RA Compliance Guide**" means the "Filing Guide for System, Local and Flexible Resource Adequacy (RA) Compliance Filings" that is issued by the CPUC Energy Division, which is expected to be updated annually, or any replacement or successor documentation established by the CPUC Energy Division to reflect resource adequacy deficiency penalties that are established by the CPUC and assessed against load-serving entities for resource adequacy deficiencies.

"**RA Deficiency Amount**" [redacted]

"**RA Guarantee Date**" means the Commercial Operation Date.

"**RA Shortfall Amount**" [redacted]

"**RA Shortfall Month**" [redacted]

"**RA Substitute Capacity**" has the meaning set forth in the CAISO Tariff.

"**Real-Time Forecast**" means any Notice of any change to the Available Generating Capacity, Storage Capacity, or hourly expected energy delivered by or on behalf of Seller pursuant to Section 4.3(d).

"**Real-Time Market**" has the meaning set forth in the CAISO Tariff.

"**Real-Time Price**" means the Resource-Specific Settlement Interval LMP as defined in the CAISO Tariff. If there is more than one applicable Real-Time Price for the same period of time, Real-Time Price shall mean the price associated with the smallest time interval.

"**Receiving Party**" has the meaning set forth in Section 18.2.

"**Remedial Action Plan**" has the meaning set forth in Section 2.4.

"**Renewable Energy Credit**" has the meaning set forth in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

"**Renewable Energy Incentives**" means: (a) all federal, state, or local Tax credits or other Tax benefits associated with the construction, ownership, or production of electricity from the Facility (including credits under Sections 38, 45, 46 and 48 of the Internal Revenue Code of 1986, as amended); (b) any federal, state, or local grants, subsidies or other like benefits relating in any way to the Facility; and (c) any other form of incentive relating in any way to the Facility that is not a Green Attribute or a Future Environmental Attribute.

"**Renewable Rate**" has the meaning set forth on the Cover Sheet.

"**Replacement Green Attributes**" has the meaning set forth in Exhibit G.

"**Replacement RA**" [redacted]

[redacted]

"**Resource Adequacy Benefits**" means the rights and privileges attached to the Generating Facility or the Storage Facility, as applicable, that satisfy an entity's Resource Adequacy Requirements, as those obligations are set forth in any ruling issue by a Governmental Authority, including the Resource Adequacy Rulings, or the CAISO Tariff, and shall include RAR, Flexible RAR, and Local RAR, and any successor criteria applicable to the Generating Facility or the Storage Facility, as applicable, including the same Slice-of-Day generation profile and related characteristics.

"Resource Adequacy Plan" means a submission by Buyer to the CPUC in the form required by the Resource Adequacy Rulings and the CAISO Tariff.

"**Resource Adequacy Requirements**" or "**RAR**" means the resource adequacy requirements applicable to Buyer as established by the CAISO pursuant to the CAISO Tariff, by the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority.

"**Resource Adequacy Rulings**" means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-04-040, 06-06-064, 06-07-031 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024 and any other existing or subsequent ruling or decision, or any other resource adequacy Law, however described, as such decisions, rulings or Laws may be amended or modified from time-to-time throughout the Delivery Term.

"**S&P**" means the Standard & Poor's Financial Services, LLC (a subsidiary of S&P Global Inc.) or its successor.

"**Schedule**" has the meaning set forth in the CAISO Tariff, and "**Scheduled**" and "**Scheduling**" have a corollary meaning.

"**Scheduled Energy**" means the PV Energy, Charging Energy, and Discharging Energy that clears under the applicable CAISO market based on the final Day-Ahead Schedule, FMM Schedule (as defined in the CAISO Tariff), or any other financially binding Schedule, market instruction or dispatch for the Facility for a given period of time implemented in accordance with the CAISO Tariff.

"**Scheduling Coordinator**" or "**SC**" means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in "Responsibilities of a Scheduling Coordinator," of the CAISO Tariff, as amended from time to time.

"**Security Interest**" has the meaning set forth in Section 8.9.

"**Self-Schedule**" has the meaning set forth in the CAISO Tariff.

"**Seller**" has the meaning set forth on the Cover Sheet.

"**Seller's WREGIS Account**" has the meaning set forth in Section 4.10(a).

"**Settlement Amount**" means the Non-Defaulting Party's Costs and Losses, on the one hand, netted against its Gains, on the other. If the Non-Defaulting Party's Costs and Losses exceed its Gains, then the Settlement Amount shall be an amount owing to the Non-Defaulting Party. If the Non-Defaulting Party's Gains exceed its Costs and Losses, then the Settlement Amount shall be Zero Dollars ($0). The Settlement Amount does not include consequential, incidental, punitive, exemplary or indirect or business interruption damages.

"**Settlement Interval**" has the meaning set forth in the CAISO Tariff.

"**Settlement Period**" has the meaning set forth in the CAISO Tariff.

"**Shared Facilities**" means the gen-tie lines, transformers, substations, or other equipment, permits, contract rights, and other assets and property (real or personal), in each case, as necessary to enable delivery of energy from the Facility (which is excluded from Shared Facilities) to the point of interconnection, including the Interconnection Agreement itself, that are used in common with third parties.

"**Showing Month**" shall be a calendar month of the Delivery Term, commencing with the Showing Month that contains the RA Guarantee Date, that is the subject of a RA Compliance Showing, as set forth in the Resource Adequacy Rulings and outlined in the CAISO Tariff. For illustrative purposes only, pursuant to the CAISO Tariff and Resource Adequacy Rulings in effect as of the Effective Date, the monthly RA Compliance Showing made in June is for the Showing Month of August.

"**Site**" means the real property on which the Facility is or will be located, as further described in Exhibit A, and as shall be updated by Seller at the time Seller provides an executed Construction Start Date certificate in the form of Exhibit J to Buyer; *provided*, that Seller may not add additional APNs without the consent of Buyer.

"**Site Control**" means that, for the Contract Term, Seller (or, prior to the Delivery Term, its Affiliate): (a) owns or has the option to purchase the Site; (b) is the lessee or has the option to lease the Site; or (c) is the holder of an easement or an option for an easement, right-of-way grant, or similar instrument with respect to the Site.

"**Slice-of-Day**" or "**SOD**" has the meaning set forth in the Resource Adequacy Rulings.

"**SP-15**" means the Existing Zone Generation Trading Hub for Existing Zone region SP-15 as set forth in the CAISO Tariff.

"**Station Use**" means the electrical energy that is used within the Facility to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Facility (or as otherwise defined by the retail energy provider and CAISO Tariff) except during periods in which the Storage Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice. For avoidance of doubt, energy that is used to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Storage Facility during periods of time when the Storage Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice is not considered Station Use.

"**Storage Capacity**" means (a) the maximum dependable operating capability of the Storage Facility to discharge electric energy that can be sustained for four (4) consecutive hours and (b) any other products that may be developed or evolve from time to time during the Contract Term that the Storage Facility is able to provide as the Facility is configured on the Commercial Operation Date and that relate to the maximum dependable operating capability of the Storage Facility to discharge electric energy.

"**Storage Capacity Test**" or "**SCT**" means any test or retest of the Storage Contract Capacity and/or Efficiency Rate conducted in accordance with the testing procedures, requirements and protocols set forth in Section 4.9 and Exhibit O.

"**Storage Contract Capacity**" means the total capacity (in MW) of the Storage Facility initially equal to the amount set forth on the Cover Sheet, as the same may be adjusted from time to time pursuant to Section 5(b) of Exhibit B or Section 4.9 and Exhibit O to reflect the results of the most recently performed Storage Capacity Test.

"**Storage Facility**" means the energy storage facility described on the Cover Sheet and in Exhibit A (including the operational requirements of the energy storage facility), located at the Site and including mechanical equipment and associated facilities and equipment required to deliver Storage Product (but excluding any Shared Facilities), and as such storage facility may be expanded or otherwise modified from time to time in accordance with the terms of this Agreement.

"**Storage Facility Meter**" means the bi-directional CAISO Approved Meter, along with a compatible data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, (i) the amount of Charging Energy delivered to the Storage Facility Metering Points from the Generating Facility, (ii) the amount of Charging Energy delivered to the Storage Facility Metering Points from the CAISO Grid, and (iii) the amount of Discharging Energy discharged from the Storage Facility at the Storage Facility Metering Points to the Delivery Point for the purpose of invoicing in accordance with Section 8.1. For clarity, the Facility will contain multiple measurement devices that will make up the Storage Facility Meter as set forth in Exhibit R, and, unless otherwise indicated, references to the Storage Facility Meter shall mean all such measurement devices and the aggregated data of all such measurement devices, taken together.

"**Storage Facility Metering Points**" means the locations of the Storage Facility Meters shown on Exhibit R.

"**Storage Product**" means (a) Discharging Energy, (b) Capacity Attributes, if any, (c) Storage Capacity, and (d) Ancillary Services (as defined in the CAISO Tariff), if any, in each case arising from or relating to the Storage Facility.

"**Storage RA Shortfall**" means, for a given Showing Month, the difference, expressed in MW, of (a) the Guaranteed Storage RA Amount, *minus* (b) Delivered Storage RA. If the result of the calculation is a negative number, the Storage RA Shortfall shall be deemed to be zero MW for such Showing Month.

"**Storage Rate**" has the meaning set forth on the Cover Sheet.

"**Stored Energy Level**" means, at a particular time, the amount of electric energy in the Storage Facility available to be discharged as Discharging Energy, expressed in MWh.

"**Supplementary Storage Capacity Test Protocol**" has the meaning set forth in Exhibit O.

"**System Emergency**" means any condition that requires, as determined and declared by CAISO or the PTO, automatic or immediate action to (a) prevent or limit harm to or loss of life or property, (b) prevent loss of transmission facilities or generation supply in the immediate vicinity of the Facility, or (c) to preserve Transmission System reliability.

"**System RAR**" means Resource Adequacy Benefits that are eligible to satisfy the system Resource Adequacy Requirements applicable to Buyer as established by the CAISO pursuant to the CAISO Tariff, by the CPUC pursuant to the Resource Adequacy Rulings, or by any other Governmental Authority

"**Tax**" or "**Taxes**" means all U.S. federal, state and local and any foreign taxes, levies, assessments, surcharges, duties and other fees and charges of any nature imposed by a Governmental Authority, whether currently in effect or adopted during the Contract Term, including ad valorem, excise, franchise, gross receipts, import/export, license, property, sales and use, stamp, transfer, payroll, unemployment, income, and any and all items of withholding, deficiency, penalty, additions, interest or assessment related thereto.

"**Tax Credits**" means the PTC, ITC and any other state, local or federal production tax credit, depreciation benefit, tax deduction or investment tax credit specific to the production of renewable energy or investments in renewable energy facilities or storage facilities.

"**Terminated Transaction**" has the meaning set forth in Section 11.2(a).

"**Termination Payment**" has the meaning set forth in Section 11.3.

"**Test Energy**" means Facility Energy delivered (a) commencing on the later of (i) the first date that the CAISO informs Seller in writing that Seller may deliver Facility Energy to the CAISO and (ii) the first date that the PTO informs Seller in writing that Seller has conditional or temporary permission to parallel and (b) ending upon the occurrence of the Commercial Operation Date.

"**Test Energy Rate**" has the meaning set forth in Section 3.6.

"**Transmission Provider**" means any entity or entities transmitting or transporting the Facility Energy on behalf of Seller or Buyer to or from the Delivery Point.

"**Transmission System**" means the transmission facilities operated by the CAISO, now or hereafter in existence, which provide energy transmission service within the CAISO Grid from the Delivery Point.

"**Ultimate Parent**" means Valuable Capital Investment, Inc.

"**Variable Energy Resource**" or "**VER**" has the meaning set forth in the CAISO Tariff.

"**WREGIS**" means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

"**WREGIS Certificate Deficit**" has the meaning set forth in Section 4.10(e).

"**WREGIS Certificates**" has the same meaning as "Certificate" as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard.

"**WREGIS Operating Rules**" means those operating rules and requirements adopted by WREGIS as of October 2022, as subsequently amended, supplemented or replaced (in whole or in part) from time to time.

1.2 **Rules of Interpretation**. In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

(a) headings and the rendering of text in bold and italics are for convenience and reference purposes only and do not affect the meaning or interpretation of this Agreement;

(b) words importing the singular include the plural and vice versa and the masculine, feminine and neuter genders include all genders;

(c) the words "hereof", "herein", and "hereunder" and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) a reference to an Article, Section, paragraph, clause, Party, or Exhibit is a reference to that Article, Section, paragraph, clause of, or that Party or Exhibit to, this Agreement unless otherwise specified;

(e) a reference to a document or agreement, including this Agreement means such document, agreement or this Agreement including any amendment or supplement to, or replacement, novation or modification of this Agreement, but disregarding any amendment, supplement, replacement, novation or modification made in breach of such document, agreement or this Agreement;

(f) a reference to a Person includes that Person's successors and permitted assigns;

(g) the term "including" means "including without limitation" and any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

(h) references to any statute, code or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or reenacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;

(i) in the event of a conflict, a mathematical formula or other precise description of a concept or a term shall prevail over words providing a more general description of a concept or a term;

(j) references to any amount of money shall mean a reference to the amount in United States Dollars;

(k) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted meaning in Prudent Operating Practice shall have such meaning in this Agreement or (ii) do not have well known and generally accepted meaning in Prudent Operating Practice but that have well known and generally accepted technical or trade meanings, shall have such recognized meanings; and

(l) each Party acknowledges that it was represented by counsel in connection with this Agreement and that it or its counsel reviewed this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

ARTICLE 2
TERM; CONDITIONS PRECEDENT

2.1 **Contract Term**.

(a) The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until the conclusion of the Delivery Term, subject to any early termination provisions and any contract term extension provisions set forth herein ("**Contract Term**"); *provided*, *however*, that subject to Buyer's obligations in Section 3.6, Buyer's obligations to pay for or accept any Product are subject to Seller's completion of the conditions precedent pursuant to Section 2.2.

(b) Applicable provisions of this Agreement shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination. The confidentiality obligations of the Parties under Article 18 and all indemnity and audit rights shall remain in full force and effect for two (2) years following the termination of this Agreement.

2.2 **Conditions Precedent**. The Delivery Term shall not commence until Seller completes each of the following conditions:

(a) Seller has delivered to Buyer (i) a completion certificate from a Licensed Professional Engineer substantially in the form of Exhibit H and (ii) a certificate from a Licensed Professional Engineer substantially in the form of Exhibit I setting forth the Installed PV Capacity and Installed Battery Capacity on the Commercial Operation Date;

(b) A Participating Generator Agreement and a Meter Service Agreement between Seller and CAISO shall have been executed and delivered and be in full force and effect, and a copy of each such agreement delivered to Buyer;

(c) (i) The Interconnection Agreement and any other material agreements between Seller and the PTO and/or CAISO that are required for Seller's performance under the Agreement are in full force and effect; (ii) all Network Upgrades required by the PTO or CAISO have been completed and any payments required to be made by Seller have been made; and (iii) full permission to operate has been granted in accordance with the terms of the Interconnection Agreement;

(d) All applicable regulatory authorizations, approvals and permits required for the operation of the Facility have been obtained and all required conditions thereof that are capable of being satisfied on the Commercial Operation Date have been satisfied and shall be in full force and effect;

(e) Seller has received CEC Precertification of the Facility (and reasonably expects to receive final CEC Certification and Verification for the Facility in no more than one hundred eighty (180) days from the Commercial Operation Date);

(f) Seller (with the reasonable participation of Buyer) shall have completed all applicable WREGIS registration requirements that are reasonably capable of being completed prior to the Commercial Operation Date under WREGIS rules, including (as applicable) the completion and submittal of all applicable registration forms and supporting documentation, which may include applicable interconnection agreements, informational surveys related to the Facility, QRE service agreements, and other appropriate documentation required to effect Facility registration with WREGIS and to enable Renewable Energy Credit transfers related to the Facility within the WREGIS system;

(g) Seller has delivered the Performance Security to Buyer in accordance with Section 8.8;

(h) Seller has taken all actions and executed all documents and instruments required to authorize Buyer (or its designated agent) to act as Scheduling Coordinator under this Agreement, and Buyer (or its designated agent) is authorized to act as Scheduling Coordinator and has full capability to Schedule and dispatch the Facility; and

(i) Seller has established a process to provide forecasts pursuant to Sections 4.3(c) and 4.3(d) to Buyer's Scheduling Coordinator subject to Buyer's approval, not to be unreasonably withheld.

(j) Seller has paid Buyer for all amounts owing under this Agreement as of the Commercial Operation Date, if any, including Daily Delay Damages and Commercial Operation Delay Damages.

2.3 **Development; Construction; Progress Reports**. Within fifteen (15) days after the close of (a) each calendar quarter from the first calendar quarter following the Effective Date until the Construction Start Date, and (b) each calendar month from the first calendar month following the Construction Start Date until the Commercial Operation Date, Seller shall provide to Buyer a Progress Report and shall hold regularly scheduled meetings between representatives of Buyer and Seller to review such monthly reports and discuss Seller's construction progress. The form of the Progress Report is set forth in Exhibit E, and shall include such additional information

as may be reasonably requested by Buyer from time to time. Within ten (10) Business Days of the Commercial Operation Date, Seller will provide Buyer a written report describing (i) the Facility's actual economic impact through the date of such report, including capital expenditures and number of construction jobs created, (ii) the Facility's anticipated prospective capital expenditures and construction and operations jobs to be created and (iii) all Minority-Owned Businesses that supplied goods or services to Seller in connection with the Facility through the date of such report, including certifications or other documentation of such Minority-Owned Businesses' status as such, and the aggregate amount paid to Minority-Owned Businesses in connection with the Facility. Seller shall also provide Buyer with any reasonable requested documentation (subject to confidentiality restrictions) directly related to the achievement of Milestones within ten (10) Business Days of receipt of such request by Seller. For the avoidance of doubt, as between Seller and Buyer, Seller is solely responsible for the design and construction of the Facility, including the location of the Site, obtaining all permits and approvals to build the Facility, the Facility layout, and the selection and procurement of the equipment comprising the Facility.

2.4 **Remedial Action Plan**. If Seller (a) misses the Guaranteed Construction Start Date, (b) misses three (3) or more Milestones (other than the Guaranteed Construction Start Date), or (c) misses any one (1) Milestone (other than the Guaranteed Construction Start Date) by more than ninety (90) days, except as the result of Force Majeure Event or Buyer Default, Seller shall submit to Buyer, within ten (10) Business Days after the occurrence of (a), (b) or (c), a remedial action plan ("**Remedial Action Plan**"), which will describe in detail any delays (actual or anticipated) beyond the scheduled Milestone dates, including the cause of the delay, if known (e.g., governmental approvals, financing, property acquisition, design activities, equipment procurement, project construction, interconnection, or any other factor), Seller's detailed description of its proposed course of action to achieve the missed Milestones and all subsequent Milestones by the Guaranteed Commercial Operation Date; *provided*, that delivery of any Remedial Action Plan shall not relieve Seller of its obligation to provide Remedial Action Plans with respect to any subsequent Milestones and to achieve the Guaranteed Commercial Operation Date in accordance with the terms of this Agreement. Subject to the provisions of Exhibit B, so long as Seller complies with its obligations under this Section 2.4, Seller shall not be considered in default of its obligations under this Agreement solely as a result of missing any Milestone.

ARTICLE 3
PURCHASE AND SALE

3.1 **Purchase and Sale of Product**. Subject to the terms and conditions of this Agreement, during the Delivery Term, Buyer will purchase and receive all of the Product produced by or associated with the Facility at the Contract Price and in accordance with Exhibit C, and Seller shall supply and deliver to Buyer all of the Product produced by or associated with the Facility (net of applicable losses). At its sole discretion, Buyer may during the Delivery Term re-sell or use for another purpose all or a portion of the Product; *provided* that no such re-sale or use shall relieve Buyer of any obligations hereunder. During the Delivery Term, Buyer will have exclusive rights to offer, bid, or otherwise submit the Product, or any component thereof, from the Facility after the Delivery Point for resale into the market or to any third party, and retain and receive any and all related revenues. Subject to Buyer's obligation to purchase Product in accordance with this Section 3.1 and Exhibit C, Buyer has no obligation to purchase from Seller any Product for which

the associated Facility Energy is not or cannot be delivered to the Delivery Point as a result of an outage of the Facility, a Force Majeure Event, or a Curtailment Order.

3.2 **Sale of Green Attributes**. During the Contract Term, Seller shall sell and deliver to Buyer, and Buyer shall purchase and receive from Seller, all Green Attributes attributable to the PV Energy, including with respect to any Test Energy.

3.3 **Imbalance Energy**. Buyer and Seller recognize that in any given Settlement Period there may be Imbalance Energy. To the extent there is any Imbalance Energy, any payments or charges related to such Imbalance Energy shall be for the account of Buyer.

3.4 **Ownership of Renewable Energy Incentives**. Seller shall have all right, title and interest in and to all Renewable Energy Incentives. Buyer acknowledges that any Renewable Energy Incentives belong to Seller. If any Renewable Energy Incentives, or values representing the same, are initially credited or paid to Buyer, Buyer shall cause such Renewable Energy Incentives or values relating to same to be assigned or transferred to Seller without delay. Buyer shall reasonably cooperate with Seller, at Seller's sole expense, in Seller's efforts to meet the requirements for any certification, registration, or reporting program relating to Renewable Energy Incentives.

3.5 **Future Environmental Attributes**.

(a) The Parties acknowledge and agree that as of the Effective Date, environmental attributes sold under this Agreement are restricted to Green Attributes; however, Future Environmental Attributes may be created by a Governmental Authority through Laws enacted after the Effective Date. Subject to the final sentence of this Section 3.5(a), and Section 3.5(b), in such event, Buyer shall bear all costs and risks associated with the transfer, qualification, verification, registration and ongoing compliance for such Future Environmental Attributes, but there shall be no increase in the Contract Price. Upon Seller's receipt of Notice from Buyer of Buyer's intent to claim such Future Environmental Attributes, the Parties shall determine the necessary actions and additional costs associated with such Future Environmental Attributes. Seller shall have no obligation to bear any costs, losses or liabilities, or alter the Facility or operation of the Facility, unless the Parties have agreed on all necessary terms and conditions relating to such alteration and Buyer has agreed to reimburse Seller for all costs, losses, and liabilities associated with such alteration or operational change.

(b) If Buyer elects to receive Future Environmental Attributes pursuant to Section 3.5(a), the Parties agree to negotiate in good faith with respect to the development of further agreements and documentation necessary to effectuate the transfer of such Future Environmental Attributes, including agreement with respect to (i) appropriate transfer, delivery and risk of loss mechanisms, and (ii) appropriate allocation of any additional costs to Buyer, as set forth above (in any event subject to Section 3.11); *provided*, that the Parties acknowledge and agree such terms are not intended to alter the other material terms of this Agreement.

3.6 **Test Energy**. No less than fourteen (14) days prior to the first day on which Test Energy is expected to be available from the Facility, Seller shall notify Buyer of the availability of the Test Energy. [redacted]

[redacted]
For the avoidance of doubt, the conditions precedent in Section 2.2 are not applicable to the Parties' obligations under this Section 3.6.

3.7 **Capacity Attributes**. Seller shall request Full Capacity Deliverability Status for the Facility in the CAISO generator interconnection process. As between Buyer and Seller, Seller shall be responsible for the cost and installation of any Network Upgrades associated with obtaining such Full Capacity Deliverability Status.

(a) Throughout the Delivery Term, Seller grants, pledges, assigns and otherwise commits to Buyer all of the Capacity Attributes from the Facility.

(b) Throughout the Delivery Term, Seller shall maintain eligibility for Full Capacity Deliverability Status for the Facility from the CAISO and shall perform all actions necessary to ensure that the Facility qualifies to provide Resource Adequacy Benefits to Seller. Throughout the Delivery Term, Seller hereby covenants and agrees to transfer all of the Resource Adequacy Benefits from the Facility to Buyer.

(c) For the duration of the Delivery Term, Seller shall take all commercially reasonable actions, including complying with all applicable registration and reporting requirements, and executing all documents or instruments necessary to enable Buyer to use all of the Capacity Attributes committed by Seller to Buyer pursuant to this Agreement.

(d) [redacted]

3.8 **Resource Adequacy Failure**.

(a) RA Deficiency Determination. For each RA Shortfall Month, Seller shall pay to Buyer the RA Deficiency Amount as liquidated damages, in each case, as the sole remedy for the Capacity Attributes Seller failed to convey to Buyer.

(b) RA Deficiency Amount Calculation. [redacted]

[redacted]

3.9 **CEC Certification and Verification**. Subject to Section 3.11, Seller shall take all necessary steps including, but not limited to, making or supporting timely filings with the CEC to obtain and maintain CEC Certification and Verification for the Facility throughout the Delivery Term, including compliance with all applicable requirements for certified facilities set forth in the current version of the *RPS Eligibility Guidebook* (or its successor). Seller shall obtain CEC Precertification by the Commercial Operation Date. Within thirty (30) days after the Commercial Operation Date, Seller shall apply with the CEC for final CEC Certification and Verification. Within one hundred eighty (180) days after the Commercial Operation Date, Seller shall, subject to Section 3.11, obtain and maintain throughout the remainder of the Delivery Term the final CEC Certification and Verification. Seller must promptly notify Buyer and the CEC of any changes to the information included in Seller's application for CEC Certification and Verification for the Facility.

3.10 **RPS Non-Modifiable Standard Terms and Conditions**.

(a) Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract.

(b) Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Project qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Project's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(c) Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as set forth in California Public Utilities Commission Decision 08-08-028, and as may be modified by subsequent decision of the California Public Utilities Commission or by subsequent legislation. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

(d) As used in this Section 3.10, the term "contract" shall have the same meaning as "Agreement", the term "Project" shall have the same meaning as "Facility", and the phrase "commercially reasonable efforts" means efforts consistent with and subject to Section 3.11.

3.11 **Compliance Expenditure Cap**.

(a) If a change in Laws occurring after the Effective Date has increased Seller's known or reasonably expected costs to comply with Seller's obligations under this Agreement with respect to obtaining, maintaining, conveying or effectuating Buyer's use of (as applicable) any Product, then the Parties agree that the maximum aggregate amount of out-of-pocket costs and expenses ("**Compliance Costs**") Seller shall be required to bear during the Delivery Term to comply with all such obligations shall be capped at [redacted] ("**Compliance Expenditure Cap**"). [redacted]

(b) Any actions required for Seller to comply with its obligations set forth in Section 3.11(a) above, the Compliance Costs of which will be included in the Compliance Expenditure Cap, shall be referred to collectively as the "**Compliance Actions**."

(c) If Seller reasonably anticipates the need to incur Compliance Costs in excess of the Compliance Expenditure Cap in order to take any Compliance Action, Seller shall provide Notice to Buyer of such anticipated Compliance Costs.

(d) Buyer will have sixty (60) days to evaluate such Notice (during which time period Seller is not obligated to take any Compliance Actions described in the Notice) and shall, within such time, either (1) agree to reimburse Seller for all or some portion of the Compliance Costs that exceed the Compliance Expenditure Cap (such Buyer-agreed upon costs, the "**Accepted Compliance Costs**"), or (2) waive Seller's obligation to take such Compliance Actions, or any part thereof for which Buyer has not agreed to reimburse Seller.

(e) If Buyer agrees to reimburse Seller for the Accepted Compliance Costs, then Seller shall take such Compliance Actions covered by the Accepted Compliance Costs as agreed upon by the Parties and Buyer shall reimburse Seller for Seller's actual costs to effect the Compliance Actions, not to exceed the Accepted Compliance Costs, within sixty (60) days from the time that Buyer receives an invoice and documentation of such costs from Seller.

3.12 **Project Configuration**. In order to optimize the benefits of the Facility, Buyer and Seller each agree that if requested by the other Party, then Buyer and Seller will discuss in good faith potential reconfiguration of the Facility or Interconnection Facilities; *provided* that neither Party shall be obligated to agree to any changes under this Agreement, or to incur any expense in connection with such changes, except under terms mutually acceptable to both Parties (and Seller's Lenders) as set forth in a written agreement executed by the Parties.

ARTICLE 4
OBLIGATIONS AND DELIVERIES

4.1 **Delivery**.

(a) Energy. Subject to the provisions of this Agreement, commencing on the Commercial Operation Date and through the end of the Contract Term, Seller shall supply and deliver the Product to Buyer at the Delivery Point, and Buyer shall take delivery of the Product at the Delivery Point in accordance with the terms of this Agreement. Seller will be responsible for paying or satisfying when due any costs or charges imposed in connection with the delivery of

Facility Energy to the Delivery Point, including paying for all Station Use energy and any operation and maintenance charges imposed by the Transmission Provider directly relating to the Facility's operations; *provided*, *however*, except as set forth in Section 4.9(b), Buyer shall be responsible for the cost of all Charging Energy. Buyer shall be responsible for all costs, charges and penalties, if any, imposed in connection with the delivery of Facility Energy at and after the Delivery Point, including without limitation transmission costs and transmission line losses and imbalance charges. The PV Energy, Charging Energy, and Discharging Energy will be scheduled with the CAISO by Buyer (or Buyer's designated Scheduling Coordinator) in accordance with Exhibit D.

(b) Green Attributes. All Green Attributes associated with the PV Energy, including with respect to any Test Energy, during the Contract Term are exclusively dedicated to and will be conveyed to Buyer. Seller represents and warrants that Seller holds the rights to all Green Attributes from the PV Energy and Test Energy, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Facility.

(c) Ancillary Services. Subject to the Operating Restrictions, Buyer shall have the exclusive rights to all Ancillary Services that the Facility is capable of providing during the Delivery Term, with characteristics and quantities determined in accordance with the CAISO Tariff. Seller shall operate and maintain the Storage Facility throughout the Delivery Term so as to be able to provide any such Ancillary Services the Facility is capable of providing in accordance with the CAISO Tariff. At Buyer's election and sole cost, Seller will complete any regulatory filing necessary to receive such revenues and other benefits and rights, including, but not limited to any regulatory filing related to Seller's capability to provide reactive power and voltage control services and to be compensated for such capability. Within a commercially reasonable timeframe (to be negotiated with Seller) following Buyer's election, Seller will file with FERC a rate schedule for Reactive Supply and Voltage Control from Generation and Other Resources under Schedule 2 of the CAISO tariff, to establish a reactive revenue requirement; *provided*, if the cost or technical data regarding the Facility necessary to prepare such filing is not available to Seller within such negotiated period despite Seller's commercially reasonable efforts, the filing may be delayed until such time as the necessary cost or technical data is reasonably available to Seller. The filing will include the cost-of-service support required by FERC to support a reactive revenue requirement reflecting the Facility's full reactive power capability. Seller will provide Buyer the opportunity to review and comment on the draft of the filing to FERC submitting such rate schedule and supporting materials, and will use reasonable efforts to accommodate Buyer's comments. Seller will also provide Buyer with monthly updates regarding the status of the proceeding. Seller will obtain Buyer's consent for any settlement of the reactive rate proceeding, with such consent not to be unreasonably withheld.

4.2 **Title and Risk of Loss**.

(a) Energy. Title to and risk of loss related to the PV Energy and Discharging Energy, shall pass and transfer from Seller to Buyer at the Delivery Point. Seller warrants that all Product delivered to Buyer is free and clear of all liens, security interests, claims and encumbrances of any kind.

(b) Green Attributes. Title to and risk of loss related to the Green Attributes transferred to Buyer shall pass and transfer from Seller to Buyer upon the transfer of such Green Attributes in accordance with WREGIS.

4.3 **Forecasting**. Seller shall provide the forecasts described below at its sole expense and in a format reasonably acceptable to Buyer (or Buyer's designee). Seller shall use reasonable efforts to provide forecasts that are accurate and, to the extent not inconsistent with the requirements of this Agreement, shall prepare such forecasts, or cause such forecasts to be prepared, in accordance with Prudent Operating Practices.

(a) Annual Forecast of Energy. No less than forty-five (45) days before (i) the first day of the first Contract Year of the Delivery Term and (ii) at the beginning of each calendar year for every subsequent Contract Year during the Delivery Term, Seller shall provide to Buyer and the SC (if applicable) a non-binding forecast of each month's average-day expected PV Energy, by hour, for the following calendar year in a form substantially similar to the table found in Exhibit F-1, or as reasonably requested by Buyer.

(b) Monthly Forecast of Energy and Available Generating Capacity. No less than thirty (30) days before the beginning of Commercial Operation, and thereafter ten (10) Business Days before the beginning of each month during the Delivery Term, Seller shall provide to Buyer and the SC (if applicable) a non-binding forecast of the hourly expected energy, Available Generating Capacity and Storage Capacity for each day of the following month in a form substantially similar to the table found in Exhibit F-2 ("**Monthly Delivery Forecast**").

(c) Day-Ahead Forecast. By 5:30 AM Pacific Prevailing Time on the Business Day immediately preceding the date of delivery, or as otherwise specified by Buyer consistent with Prudent Operating Practice, Seller shall provide Buyer with a non-binding forecast of (i) Available Generating Capacity and (ii) Storage Capacity and (iii) hourly expected energy, in each case, for each Settlement Interval of each hour of the immediately succeeding day ("**Day-Ahead Forecast**"). A Day-Ahead Forecast provided in a day prior to any non-Business Day(s) shall include non-binding forecasts for the immediate day, each succeeding non-Business Day and the next Business Day. Each Day-Ahead Forecast shall clearly identify, for each Settlement Interval of each hour, Seller's best estimate of (i) the Available Generating Capacity and (ii) the Storage Capacity and (iii) the hourly expected energy. These Day-Ahead Forecasts shall be sent to Buyer. If Seller fails to provide Buyer with a Day-Ahead Forecast as required herein for any period, then for such unscheduled delivery period only Buyer shall rely on any Real-Time Forecast provided in accordance with Section 4.3(d) or the Monthly Delivery Forecast or Buyer's best estimate based on information reasonably available to Buyer.

(d) Real-Time Forecasts. During the Delivery Term, Seller shall notify Buyer of any changes from the Day-Ahead Forecast of [redacted] or more in (i) Available Generating Capacity, (ii) Storage Capacity or (iii) hourly expected energy, in each case, whether due to Forced Facility Outage, Force Majeure Event or other cause, as soon as reasonably possible, but no later than one (1) hour prior to the deadline for submitting Schedules to the CAISO in accordance with the rules for participation in the Real-Time Market. If the Available Generating Capacity, Storage Capacity, or hourly expected energy changes by at least [redacted] as of a time that is less than one (1) hour prior to the Real-Time Market deadline, but before such deadline, then Seller must

notify Buyer as soon as reasonably possible. Such Real-Time Forecasts of energy shall be provided by an Approved Forecast Vendor and shall contain information regarding the beginning date and time of the event resulting in the change in Available Generating Capacity, Storage Capacity, or hourly expected energy, as applicable, the expected end date and time of such event, and any other information required by the CAISO or reasonably requested by Buyer. With respect to any Forced Facility Outage, Seller shall use commercially reasonable efforts to notify Buyer of such outage within ten (10) minutes of the commencement of the Forced Facility Outage. Seller shall inform Buyer of any developments that will affect either the duration of such outage or the availability of the Facility during or after the end of such outage. These Real-Time Forecasts shall be communicated in a method reasonably acceptable to Buyer and Seller; *provided* Buyer shall specify the method no later than twenty (20) Business Days prior to the effective date of such requirement. In the event Buyer fails to provide Notice of an acceptable method for communications under this Section 4.3(d), then Seller shall send such communications by telephone and e-mail to Buyer.

(e) Forced Facility Outages. Notwithstanding anything to the contrary herein, Seller shall promptly notify Buyer's on-duty Scheduling Coordinator of Forced Facility Outages and Seller shall keep Buyer informed of any developments that will affect either the duration of the outage or the availability of the Facility during or after the end of the outage.

(f) Forecasting Penalties. Unless excused by a Force Majeure Event, in the event Seller does not in a given hour provide the forecast required in Section 4.3(d) and Buyer incurs a loss or penalty resulting from Seller's failure with respect to PV Energy, Charging Energy, or Discharging Energy during such hour, Seller shall be responsible for a Forecasting Penalty for each such hour; notwithstanding the foregoing, Seller shall not be responsible for any Forecasting Penalty to the extent such failure was caused by the acts or omissions of Buyer or Buyer's Scheduling Coordinator. Settlement of Forecasting Penalties shall occur as set forth in Article 8 of this Agreement.

(g) CAISO Tariff Requirements. To the extent such obligations are applicable to the Facility, Seller will comply with all applicable obligations for Variable Energy Resources under the CAISO Tariff and the Eligible Intermittent Resource Protocol, including providing appropriate operational data and meteorological data, and will fully cooperate with Buyer, Buyer's SC, and CAISO, in providing all data, information, and authorizations required thereunder.

4.4 **Dispatch Down/Curtailment**.

(a) General. Seller agrees to reduce the amount of PV Energy produced by the Generating Facility, by the amount and for the period set forth in any Curtailment Order, Buyer Curtailment Order, or notice received from CAISO in respect of a Buyer Bid Curtailment; *provided* that Seller is not required to reduce such amount to the extent such reduction or any such Curtailment Order, Buyer Curtailment Order, or CAISO notice is inconsistent with the limitations of the Facility set out in the Operating Restrictions.

(b) Buyer Curtailment. Buyer shall have the right to order Seller to curtail deliveries of PV Energy through Buyer Curtailment Orders; *provided*, Buyer shall pay Seller for all Deemed Delivered Energy associated with a Buyer Curtailment Period in excess of the

Curtailment Cap in accordance with Exhibit C.

(c) Failure to Comply. If Seller fails to comply with a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order, then, for each MWh of PV Energy that is delivered by the Generating Facility to the Delivery Point in contradiction to the Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order, Seller shall pay Buyer for each such MWh at an amount equal to the sum of (A) + (B) + (C), where: (A) is the amount, if any, paid to Seller by Buyer for delivery of such excess MWh, and (B) is the sum, for all Settlement Intervals with a Negative LMP during the Buyer Curtailment Period or Curtailment Period, of the absolute value of the product of such excess MWh in each Settlement Interval and the Negative LMP for such Settlement Interval, and (C) is any penalties assessed by the CAISO or other charges assessed by the CAISO resulting from Seller's failure to comply with the Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order.

(d) Seller Equipment Required for Curtailment Instruction Communications. Seller shall acquire, install, and maintain such facilities, communications links and other equipment, and implement such protocols and practices, as necessary to respond and follow instructions, including an electronic signal conveying real time and intra-day instructions, to operate the Facility as reasonably directed by the Buyer in accordance with this Agreement or a Governmental Authority, including to implement a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order in accordance with the then-current methodology used to transmit such instructions as it may change from time to time. If at any time during the Delivery Term Seller's facilities, communications links or other equipment, protocols or practices are not in compliance with then-current methodologies, Seller shall take the steps necessary to become compliant as soon as reasonably possible. Seller shall be liable pursuant to Section 4.4(c) for failure to comply with a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order, during the time that Seller's facilities, communications links or other equipment, protocols or practices are not in compliance with this Section 4.4(d). For the avoidance of doubt, a Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order communication via such systems and facilities shall have the same force and effect on Seller as any other form of communication. Notwithstanding the foregoing, if Buyer directs Seller to install facilities, communications links or other equipment or implement protocols or practices pursuant to this Section 4.4(d) that are not otherwise required for the Facility pursuant to the CAISO Tariff, then such installation or implementation shall be deemed a Compliance Action subject to the Compliance Expenditure Cap set forth in Section 3.11.

4.5 **Charging Energy Management**.

(a) Upon receipt of a valid Charging Notice, Seller shall take any and all action necessary to deliver the Charging Energy from the Generating Facility to the Storage Facility in order to deliver the Storage Product in accordance with the terms of this Agreement (including the Operating Restrictions), including maintenance, repair or replacement of equipment in Seller's possession or control used to deliver the Charging Energy to the Storage Facility.

(b) During the Delivery Term, Buyer will have the right to charge the Storage Facility seven (7) days per week and twenty-four (24) hours per day (including holidays), by providing Charging Notices to Seller electronically; *provided*, Buyer's right to issue Charging

Notices is subject to Prudent Operating Practice and the requirements and limitations set forth in this Agreement, including the Operating Restrictions and the provisions of Section 4.5(a). Each Charging Notice issued in accordance with this Agreement will be effective unless and until Buyer modifies such Charging Notice by providing Seller with an updated Charging Notice.

(c) Seller shall not charge the Storage Facility during the Delivery Term other than pursuant to a valid Charging Notice, or in connection with a Storage Capacity Test, or pursuant to a notice from CAISO, the PTO, Transmission Provider, or any other Governmental Authority, or as otherwise required by applicable Law. If, during the Delivery Term, Seller (a) charges the Storage Facility to a Stored Energy Level greater than the Stored Energy Level provided for in the Charging Notice or (b) charges the Storage Facility in violation of the first sentence of this Section 4.5(c), then (x) Seller shall be responsible for all energy costs associated with such charging of the Storage Facility except to the extent such charging was caused by the acts or omissions of Buyer or Buyer's Scheduling Coordinator, (y) Buyer shall not be required to pay for the charging of such energy (i.e., Charging Energy) except to the extent such charging was caused by the acts or omissions of Buyer or Buyer's Scheduling Coordinator, and (z) Buyer shall be entitled to discharge such energy and entitled to all of the benefits (including Storage Product) associated with such discharge.

(d) During the Delivery Term, Buyer will have the right to discharge the Storage Facility seven (7) days per week and twenty-four (24) hours per day (including holidays), by providing Discharging Notices to Seller electronically, and subject to the requirements and limitations set forth in this Agreement, including the Operating Restrictions. Each Discharging Notice issued in accordance with this Agreement will be effective unless and until Buyer modifies such Discharging Notice by providing Seller with an updated Discharging Notice.

(e) Notwithstanding anything in this Agreement to the contrary, during any Settlement Interval, Curtailment Orders, Buyer Curtailment Orders, and Buyer Bid Curtailments applicable to such Settlement Interval shall have priority over any Charging Notices and Discharging Notices applicable to such Settlement Interval, and Seller shall have no liability for violation of this Section 4.5 or any Charging Notice or Discharging Notice if and to the extent such violation is caused by Seller's compliance with any Curtailment Order, Buyer Curtailment Order, Buyer Bid Curtailment or other instruction or direction from a Governmental Authority or the PTO or the Transmission Provider. Buyer shall have the right, but not the obligation, to provide Seller with updated Charging Notices and Discharging Notices during any Buyer Curtailment Order, Buyer Bid Curtailment or Curtailment Order consistent with the Operating Restrictions.

(f) Notwithstanding anything to the contrary in this Section 4.5 or this Agreement, the Parties acknowledge that Seller is responsible for providing all energy to serve Station Use, that Station Use may be supplied from a dedicated service from the Participating Transmission Owner or the Facility, that the supply of Station Use shall not be deemed a violation of this Agreement, and that Seller shall be responsible for the cost of any energy to serve such Station Use.

(g) Notwithstanding anything to the contrary in this Section 4.5 or this Agreement (but subject to Sections 4.5(b), (d) and (e)), Buyer shall have the right to charge the Storage Facility from the CAISO Grid after the Commercial Operation Date; *provided*, Buyer will

be responsible for all costs of Energy from the CAISO Grid related to such grid charging, except in connection with a Storage Capacity Test as set forth in Section 4.9(b).

4.6 **Reduction in Delivery Obligation**. For the avoidance of doubt, and in no way limiting Section 3.1 or Exhibit G:

(a) Facility Maintenance. Unless otherwise agreed, subject to providing Buyer one-hundred twenty (120) days' prior Notice, Seller shall be permitted to reduce deliveries of Product during any Planned Outage of the Facility; *provided*, *however*, that no Notice is required for a Planned Outage which [redacted]. Seller may adjust the dates of a previously noticed Planned Outage prior to the expected start date of the Planned Outage provided that Seller provides sufficient advance notice under CAISO protocols for outage reporting and the adjusted date is reasonably acceptable to Buyer. If a Planned Outage will exceed the amount of time originally estimated for such outage, Seller shall notify Buyer as soon as practicable of the expected end date of such outage. Seller shall schedule all Planned Outages within the time-period determined by the CAISO for the Facility as a Resource Adequacy Resource that is subject to the Availability Standards, to qualify for an "Approved Maintenance Outage" under the CAISO Tariff, and Seller shall reimburse Buyer for any cost Buyer incurs in connection therewith (including the cost of any RA Substitute Capacity as required by the CAISO). Between June 1 and September 30, Seller shall not schedule non-emergency maintenance, unless (i) such outage is required to avoid damage to the Facility, (ii) such maintenance is necessary to maintain equipment warranties and cannot be scheduled outside the period of June 1 to September 30, (iii) such outage is required in accordance with Prudent Operating Practices, or (iv) the Parties agree otherwise in writing.

(b) Forced Facility Outage. Seller shall be permitted to reduce deliveries of Product during any Forced Facility Outage. Seller shall provide Buyer with Notice and expected duration (if known) of any Forced Facility Outage.

(c) System Emergencies and other Interconnection Events. Seller shall be permitted to reduce deliveries of Product during any period of System Emergency, Buyer Curtailment Period or upon Notice of a Curtailment Order pursuant to the terms of this Agreement, the Interconnection Agreement or applicable tariff.

(d) Force Majeure Event. Seller shall be permitted to reduce deliveries of Product during any Force Majeure Event.

(e) Health and Safety. Seller shall be permitted to reduce deliveries of Product as necessary to maintain health and safety pursuant to Section 6.2.

4.7 **Guaranteed Energy Production**. Seller shall be required to deliver to Buyer no less than the Guaranteed Energy Production in each Performance Measurement Period. For purposes of determining whether Seller has achieved the Guaranteed Energy Production, Seller shall be deemed to have delivered to Buyer (1) any Deemed Delivered Energy and (2) energy in the amount it could reasonably have delivered to Buyer but was prevented from delivering to Buyer by reason of any Force Majeure Events, System Emergency, Buyer Default or other failure to perform, and Curtailment Periods ("**Lost Output**"). If Seller fails to achieve the Guaranteed

Energy Production amount in any Performance Measurement Period, Seller shall pay Buyer damages calculated in accordance with Exhibit G ("**GEP Damages**").

4.8 **Storage Availability**.

(a) During the Delivery Term, the Storage Facility shall maintain a Monthly Storage Availability during each month of no less than [redacted] (the "**Guaranteed Storage Availability**"), which Monthly Storage Availability shall be calculated in accordance with Exhibit P.

(b) If the Monthly Storage Availability during any month is less than the Guaranteed Storage Availability, then Buyer's payment for the Storage Product shall be calculated by reference to the Availability Adjusted Storage Contract Capacity (as determined in accordance with Exhibit P).

4.9 **Storage Capacity Tests**.

(a) Prior to the Commercial Operation Date, Seller shall schedule and complete a Storage Capacity Test in accordance with Exhibit O. Thereafter, Seller and Buyer shall have the right to run additional Storage Capacity Tests in accordance with Exhibit O.

(b) Buyer shall have the right to send one or more representative(s) to witness all Storage Capacity Tests. Buyer shall be responsible for all costs, expenses and fees payable or reimbursable to its representative(s) witnessing any Storage Capacity Test. Except as otherwise specified in Exhibit O, all other costs or revenues associated with any Storage Capacity Test, including all Charging Energy costs and Discharging Energy revenue, shall be borne by, or accrue to, Seller, as applicable. Any instruction to charge the Storage Facility during a Storage Capacity Test shall be considered a Charging Notice, and any instruction to charge the Storage Facility during a Storage Capacity Test shall be considered a Discharging Notice.

(c) Following each Storage Capacity Test, Seller shall submit a testing report in accordance with Exhibit O. The Storage Contract Capacity and Efficiency Rate determined pursuant to a Storage Capacity Test shall become the new Storage Contract Capacity and/or Efficiency Rate, at the beginning of the day following the completion of the test for all purposes under this Agreement, including compensation under Exhibit C.

4.10 **WREGIS**. Seller shall, at its sole expense, but subject to Section 3.11, take all actions and execute all documents or instruments necessary to ensure that all WREGIS Certificates associated with all Renewable Energy Credits corresponding to all PV Energy are issued and tracked for purposes of satisfying the requirements of the California Renewables Portfolio Standard and transferred in a timely manner to Buyer for Buyer's sole benefit. Seller shall transfer the Renewable Energy Credits to Buyer. Seller shall comply with all Laws, including the WREGIS Operating Rules, regarding the certification and transfer of such WREGIS Certificates to Buyer and Buyer shall be given sole title to all such WREGIS Certificates. In addition:

(a) Prior to the Commercial Operation Date, Seller shall register the Facility with WREGIS and establish an account with WREGIS ("**Seller's WREGIS Account**"), which Seller shall maintain until the end of the Delivery Term. Seller shall transfer the WREGIS

Certificates using "**Forward Certificate Transfers**" (as described in the WREGIS Operating Rules) from Seller's WREGIS Account to the WREGIS account(s) of Buyer or the account(s) of a designee that Buyer identifies by Notice to Seller ("**Buyer's WREGIS Account**"). Seller shall be responsible for all expenses associated with registering the Facility with WREGIS, establishing and maintaining Seller's WREGIS Account, paying WREGIS Certificate issuance and transfer fees, and transferring WREGIS Certificates from Seller's WREGIS Account to Buyer's WREGIS Account.

(b) Seller shall cause Forward Certificate Transfers to occur on a monthly basis in accordance with the certification procedure established by the WREGIS Operating Rules. Since WREGIS Certificates will only be created for whole MWh amounts of PV Energy generated, any fractional MWh amounts (i.e., kWh) will be carried forward until sufficient generation is accumulated for the creation of a WREGIS Certificate.

(c) Seller shall, at its sole expense, ensure that the WREGIS Certificates for a given calendar month correspond with the PV Energy for such calendar month as evidenced by the Generating Facility's metered data.

(d) Due to the ninety (90) day delay in the creation of WREGIS Certificates relative to the timing of invoice payment under Section 8.2, Buyer shall make an invoice payment for a given month in accordance with Section 8.2 before the WREGIS Certificates for such month are formally transferred to Buyer in accordance with the WREGIS Operating Rules and this Section 4.10. Notwithstanding this delay, Buyer shall have all right and title to all such WREGIS Certificates upon payment to Seller in accordance with Section 8.2.

(e) A "**WREGIS Certificate Deficit**" means any deficit or shortfall in WREGIS Certificates delivered to Buyer for a calendar month as compared to the PV Energy for the same calendar month ("**Deficient Month**") caused by an error or omission of Seller. If any WREGIS Certificate Deficit is caused, or the result of any action or inaction by Seller, then the amount of PV Energy in the Deficient Month shall be reduced by the amount of the WREGIS Certificate Deficit for purposes of calculating Buyer's payment to Seller under Article 8 and the Guaranteed Energy Production for the applicable Contract Year; *provided*, *however*, that such adjustment shall not apply to the extent that Seller either (i) resolves the WREGIS Certificate Deficit within [redacted] after the Deficient Month or (ii) provides Replacement Green Attributes (as defined in Exhibit G) delivered to CAISO as Scheduled Energy within [redacted] after the Deficient Month (A) upon a schedule reasonably acceptable to Buyer and (B) provided that such deliveries do not impose additional costs upon Buyer for which Seller refuses to provide reimbursement. Without limiting Seller's obligations under this Section 4.10, if a WREGIS Certificate Deficit is caused solely by an error or omission of WREGIS, the Parties shall cooperate in good faith to cause WREGIS to correct its error or omission.

(f) Subject to Section 3.11, if (i) WREGIS changes the WREGIS Operating Rules after the Effective Date or applies the WREGIS Operating Rules in a manner inconsistent with this Section 4.10 after the Effective Date, the Parties promptly shall modify this Section 4.10 as reasonably required to cause and enable Seller to transfer to Buyer's WREGIS Account a quantity of WREGIS Certificates for each given calendar month that corresponds to the PV Energy in the same calendar month.

(g) To the extent WREGIS or applicable Law establishes a program for time-based tracking of renewable energy information or production of Green Attributes, Seller will take, at its sole cost and expense, all commercially reasonable steps to ensure that production of Green Attributes is tracked with the greatest precision feasible (e.g., daily, hourly). Seller will bear all costs associated with such time-based tracking; *provided*, Buyer will bear all costs related to reporting and tracking that are incurred after it has taken title to such Green Attributes.

4.11 **Interconnection**. Seller is responsible for all costs and charges associated with Interconnection Facilities and Network Upgrades necessitated by the interconnection of the Facility. During the Test Energy period and throughout the Delivery Term, Seller shall provide under the Interconnection Agreement interconnection capacity and rights to the Facility of not less than the Dedicated Interconnection Capacity to (i) interconnect the Facility with the CAISO Grid, and (ii) fulfill Seller's obligations under the Agreement, including delivery of PV Energy and Discharging Energy to the Delivery Point. Seller shall not allow the interconnection capacity under the Interconnection Agreement that is associated with the Dedicated Interconnection Capacity to be used by any party other than Buyer, including in connection with the Shared Facilities. Buyer agrees to (a) establish an internal process to assign interconnection points to CAISO Cluster 15 interconnection applications, (b) consider Seller along with other CAISO Cluster 15 interconnection applications in assigning interconnection points in accordance with Buyer's established process, (c) assign such points to Seller's interconnection application in accordance with Buyer's established process, and (d) notify CAISO of Buyer's interconnection point assignment. Buyer does not guarantee that Seller is eligible for CAISO Cluster 15 interconnection studies even if Buyer assigns interconnection points to Seller pursuant to Buyer's established process for assigning interconnection points.

4.12 **Green-E Certification**. Seller shall, at its sole expense, take all actions and execute all documents or instruments necessary to ensure that the Facility is Green-E eligible.

ARTICLE 5
TAXES

5.1 **Allocation of Taxes and Charges**. Seller shall pay or cause to be paid all Taxes on or with respect to the Facility or on or with respect to the sale and making available of Product to Buyer, that are imposed on Product prior to its delivery to Buyer at the Delivery Point. Buyer shall pay or cause to be paid all Taxes on or with respect to the delivery to and purchase by Buyer of Product that are imposed on Product at and after its delivery to Buyer at the Delivery Point (other than withholding or other Taxes imposed on Seller's income, revenue, receipts or employees), if any. If a Party is required to remit or pay Taxes that are the other Party's responsibility hereunder, such Party shall promptly pay the Taxes due and then seek and receive reimbursement from the other for such Taxes. In the event any sale of Product hereunder is exempt from or not subject to any particular Tax, Buyer shall provide Seller with all necessary documentation within thirty (30) days after the Effective Date to evidence such exemption or exclusion. If Buyer does not provide such documentation, then Buyer shall indemnify, defend, and hold Seller harmless from any liability with respect to Taxes from which Buyer claims it is exempt.

5.2 **Cooperation**. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize all Taxes,

so long as no Party is materially adversely affected by such efforts. The Parties shall cooperate to minimize Tax exposure; *provided*, *however*, that neither Party shall be obligated to incur any financial or operational burden to reduce Taxes for which the other Party is responsible hereunder without receiving due compensation therefor from the other Party. All Product delivered by Seller to Buyer hereunder shall be a sale made at wholesale, with Buyer reselling such Product.

5.3 **Tax Credit Ownership**. Buyer acknowledges and agrees that Seller is the owner of the Facility for federal income tax purposes and, as such, Seller (or its Affiliates or Lenders) shall be entitled to all depreciation deductions associated with the Facility and to any and all Tax Credits or other tax benefits associated with the Facility, including any such tax credits or tax benefits under the Code and all Renewable Energy Incentives. The Parties agree and intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Code. The Parties will not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of the Product from the Seller or that this agreement is anything other than a "service contract" within the meaning of Section 7701(e)(3) of the Code.

ARTICLE 6
MAINTENANCE OF THE FACILITY

6.1 **Maintenance of the Facility**. Seller shall comply with Law and Prudent Operating Practice relating to the operation and maintenance of the Facility and the generation and sale of Product.

6.2 **Maintenance of Health and Safety**. Seller shall take reasonable safety precautions with respect to the operation, maintenance, repair and replacement of the Facility. If Seller becomes aware of any circumstances relating to the Facility that create an imminent risk of damage or injury to any Person or any Person's property, Seller shall take prompt, reasonable action to prevent such damage or injury and shall give Notice to Buyer's emergency contact identified on Exhibit N of such condition. Such action may include, to the extent reasonably necessary, disconnecting and removing all or a portion of the Facility, or suspending the supply of PV Energy or Discharging Energy to Buyer.

6.3 **Shared Facilities**. The Parties acknowledge and agree that certain of the Shared Facilities and Interconnection Facilities, and Seller's rights and obligations under the Interconnection Agreement, may be subject to certain shared facilities or co-tenancy agreements to be entered into among Seller, the Participating Transmission Owner, Seller's Affiliates, or third parties pursuant to which certain Interconnection Facilities may be subject to joint ownership and shared maintenance and operation arrangements; *provided* that such agreements (a) shall permit Seller to perform or satisfy, and shall not purport to limit, its obligations hereunder, including providing interconnection capacity for the Facility in accordance with Section 4.11 and in an amount not less than the Dedicated Interconnection Capacity, and (b) continue to provide for separate metering and a separate CAISO Resource ID for each of the Generating Facility and the Storage Facility, and (c) shall not allow any Seller Affiliate or third party to use the interconnection capacity under the Interconnection Agreement associated with the Dedicated Interconnection Capacity.

ARTICLE 7
METERING

7.1 **Metering**. Seller shall measure the amount of PV Energy using the Generating Facility Meter, and the amount of Charging Energy and Discharging Energy using the Storage Facility Meter; each of which will be subject to adjustment in accordance with applicable CAISO meter requirements and Prudent Operating Practices, including to account for Electrical Losses and Station Use. All meters will be operated pursuant to applicable CAISO-approved calculation methodologies and maintained as Seller's cost. Subject to meeting any applicable CAISO requirements, the meters shall be programmed to adjust for Electrical Losses and Station Use in a manner subject to Buyer's prior written approval, not to be unreasonably withheld. Seller shall obtain and maintain a single CAISO Resource ID dedicated exclusively to the Generating Facility and a single CAISO Resource ID dedicated exclusively to the Storage Facility. Seller shall not obtain additional CAISO Resource IDs for the Generating Facility, the Storage Facility, or the Facility without the prior written consent of Buyer, which shall not be unreasonably withheld. If Buyer requests that Seller obtain one or more additional CAISO Resource IDs, then the Parties shall negotiate in good faith to amend this Agreement to accommodate such request; *provided* that any out of pocket costs associated with obtaining such additional CAISO Resource IDs incurred by Seller shall be reimbursed by Buyer. Metering shall be consistent with the Metering Diagram set forth as Exhibit R, a final version of which shall be provided to Buyer at least thirty (30) days before the Commercial Operation Date. Each meter shall be kept under seal, such seals to be broken only when the meters are to be tested, adjusted, modified or relocated. In the event Seller breaks a seal, Seller shall notify Buyer as soon as practicable. In addition, Seller hereby agrees to provide all meter data to Buyer in a form reasonably acceptable to Buyer, and consents to Buyer obtaining from CAISO the CAISO meter data directly relating to the Facility and all inspection, testing and calibration data and reports. Seller and Buyer, or Buyer's Scheduling Coordinator, shall cooperate to allow both Parties to retrieve the meter reads from the CAISO Market Results Interface – Settlements (MRI-S) (or its successor) or directly from the CAISO meter(s) at the Facility.

7.2 **Meter Verification**. Annually, if Seller has reason to believe there may be a meter malfunction, or upon Buyer's reasonable request, Seller shall test the meter. The tests shall be conducted by independent third parties qualified to conduct such tests. Buyer shall be notified seven (7) days in advance of such tests and have a right to be present during such tests. If a meter is inaccurate it shall be promptly repaired or replaced.

ARTICLE 8
INVOICING AND PAYMENT; CREDIT

8.1 **Invoicing**. Seller shall make good faith efforts to deliver an invoice to Buyer for Product within fifteen (15) Business Days after the end of the prior monthly billing period. Each invoice shall reflect (a) records of metered data, including CAISO metering and transaction data sufficient to document and verify the amount of Product delivered by the Facility for any Settlement Period during the preceding month, including the amount of PV Energy produced by the Generating Facility as read by the Generating Facility Meter, the amount of Charging Energy charged from the Generating Facility, the amount of Charging Energy charged by the CAISO Grid, and the amount of Discharging Energy delivered from the Storage Facility to the Delivery Point,

in each case, as read by the Storage Facility Meter, the amount of Replacement RA and Replacement Product delivered to Buyer (if any), the calculation of PV Energy, Deemed Delivered Energy and Adjusted Energy Production, the LMP prices at the Delivery Point for each Settlement Period, and the Contract Price applicable to such Product in accordance with Exhibit C; (b) access to any records, including invoices or settlement data from the CAISO, necessary to verify the accuracy of any amount; and (c) be in a format reasonably specified by Buyer, covering the services provided in the preceding month determined in accordance with the applicable provisions of this Agreement. Buyer shall, and shall cause its Scheduling Coordinator to, provide Seller with all reasonable access (including, in real time, to the maximum extent reasonably possible) to any records, including invoices or settlement data from the CAISO, forecast data and other information, all as may be necessary from time to time for Seller to prepare and verify the accuracy of all invoices.

8.2 **Payment**. Buyer shall make payment to Seller for Product by wire transfer or ACH payment to the bank account designated by Seller in Exhibit N, which may be updated by Seller by Notice hereunder. Buyer shall pay undisputed invoice amounts within twenty-five (25) days after receipt of the invoice or the end of the prior monthly billing period, whichever is later. If such due date falls on a weekend or legal holiday, such due date shall be the next Business Day. Payments made after the due date will be considered late and will bear interest on the unpaid balance. If the amount due is not paid on or before the due date or if any other payment that is due and owing from one Party to another is not paid on or before its applicable due date, a late payment charge shall be applied to the unpaid balance and shall be added to the next billing statement. Such late payment charge shall be calculated based on the prime rate published on the date of the invoice in The Wall Street Journal, or, if The Wall Street Journal is not published on that day, the next succeeding date of publication, [redacted] (the "**Interest Rate**"). If the due date occurs on a day that is not a Business Day, the late payment charge shall begin to accrue on the next succeeding Business Day.

8.3 **Books and Records**. To facilitate payment and verification, each Party shall maintain all books and records necessary for billing and payments, including copies of all invoices under this Agreement, for a period of at least two (2) years or as otherwise required by Law. Upon ten (10) Business Days' Notice to the other Party, either Party shall be granted reasonable access to the accounting books and records within the possession or control of the other Party pertaining to all invoices generated pursuant to this Agreement. Seller acknowledges that in accordance with California Government Code Section 8546.7, Seller may be subject to audit by the California State Auditor with regard to Seller's performance of this Agreement because the compensation under this Agreement exceeds Ten Thousand Dollars ($10,000).

8.4 **Payment Adjustments; Billing Errors**. Payment adjustments shall be made if Buyer or Seller discovers there have been good faith inaccuracies in invoicing that are not otherwise disputed under Section 8.5 or an adjustment to an amount previously invoiced or paid is required due to a correction of data by the CAISO; *provided*, *however*, that there shall be no adjustments to prior invoices based upon meter inaccuracies. If the required adjustment is in favor of Buyer, Buyer's next monthly payment shall be credited in an amount equal to the adjustment. If the required adjustment is in favor of Seller, Seller shall add the adjustment amount to Buyer's next monthly invoice. Adjustments in favor of either Buyer or Seller shall bear interest, until

settled in full, in accordance with Section 8.2, accruing from the date on which the adjusted amount should have been due.

8.5 **Billing Disputes**. A Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement or adjust any invoice for any arithmetic or computational error within twelve (12) months of the date the invoice, or adjustment to an invoice, was rendered. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment shall be made within five (5) Business Days of such resolution along with interest accrued at the Interest Rate from and including the original due date to but excluding the date paid. Inadvertent overpayments shall be returned via adjustments in accordance with Section 8.4. Any dispute with respect to an invoice is waived if the other Party is not notified in accordance with this Section 8.5 within twelve (12) months after the invoice is rendered or subsequently adjusted, except to the extent any misinformation was from a third party not affiliated with any Party and such third party corrects its information after the twelve-month period. If an invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

8.6 **Netting of Payments**. The Parties hereby agree that they shall discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Product during the monthly billing period under this Agreement or otherwise arising out of this Agreement, including any related damages calculated pursuant to Exhibits B and G, interest, and payments or credits, shall be netted so that only the excess amount remaining due shall be paid by the Party who owes it.

8.7 **Seller's Development Security**. To secure its obligations under this Agreement, Seller shall deliver Development Security to Buyer no later than the sooner of (a) thirty (30) days of the Effective Date, and (b) December 15, 2024. Seller shall maintain the Development Security in full force and effect. Within five (5) Business Days following any draw by Buyer on the Development Security, Seller shall replenish the amount drawn such that the security is restored to the applicable amount. Upon the earlier of (a) Seller's delivery of the Performance Security, or (b) sixty (60) days after termination of this Agreement, Buyer shall return the Development Security to Seller, less the amounts drawn in accordance with this Agreement. If the Development Security is a Letter of Credit and the issuer of such Letter of Credit (i) fails to maintain the minimum Credit Rating specified in the definition of Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit and such Letter of Credit expires prior to the Commercial Operation Date, or (iii) fails to honor Buyer's properly documented request to draw on such Letter of Credit by such issuer, Seller shall have ten (10) Business Days to either post cash or deliver a substitute Letter of Credit in the amount of the Development Security and that otherwise meets the requirements set forth in the definition of Development Security.

8.8 **Seller's Performance Security**. To secure its obligations under this Agreement, Seller shall deliver Performance Security to Buyer on or before the Commercial Operation Date.

If the Performance Security is not in the form of cash or Letter of Credit, it shall be substantially in the form of Guaranty set forth in Exhibit L. Seller shall maintain the Performance Security in full force and effect, subject to any draws made by Buyer in accordance with this Agreement, until the following have occurred: (a) the Delivery Term has expired or terminated early; and (b) all payment obligations of the Seller then due and payable under this Agreement, including compensation for penalties, Termination Payment, indemnification payments or other damages are paid in full (whether directly or indirectly such as through set-off or netting). Following the occurrence of both events, Buyer shall promptly return to Seller the unused portion of the Performance Security. Within five (5) Business Days following any draw by Buyer on the Performance Security, Seller shall replenish the amount drawn such that the security is restored to the applicable amount. If the Performance Security is a Letter of Credit and the issuer of such Letter of Credit (i) fails to maintain the minimum Credit Rating set forth in the definition of Letter of Credit, (ii) indicates its intent not to renew such Letter of Credit and such Letter of Credit expires prior to the Commercial Operation Date, or (iii) fails to honor Buyer's properly documented request to draw on such Letter of Credit by such issuer, Seller shall have ten (10) Business Days to either post cash or deliver a substitute Letter of Credit that meets the requirements set forth in the definition of Performance Security. Seller may at its option exchange one permitted form of Development Security or Performance Security for another permitted form of Development Security or Performance Security, as applicable.

8.9 **First Priority Security Interest in Cash or Cash Equivalent Collateral**. To secure its obligations under this Agreement, and until released as provided herein, Seller hereby grants to Buyer a present and continuing first-priority security interest ("**Security Interest**") in, and lien on (and right to net against), and assignment of the Development Security, Performance Security, any other cash collateral and cash equivalent collateral posted pursuant to Sections 8.7 and 8.8 and any and all interest thereon or proceeds resulting therefrom or from the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of Buyer, and Seller agrees to take all action as Buyer reasonably requires in order to perfect Buyer's Security Interest in, and lien on (and right to net against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

Upon or any time after the occurrence and continuation of an Event of Default caused by Seller, an Early Termination Date resulting from an Event of Default caused by Seller, or an occasion provided for in this Agreement where Buyer is authorized to retain all or a portion of the Development Security or Performance Security, Buyer may do any one or more of the following (in each case subject to the final sentence of this Section 8.9):

(a) Exercise any of its rights and remedies with respect to the Development Security and Performance Security, including any such rights and remedies under Law then in effect;

(b) Draw on any outstanding Letter of Credit issued for its benefit and retain any cash held by Buyer as Development Security or Performance Security; and

(c) Liquidate all Development Security or Performance Security (as applicable) then held by or for the benefit of Buyer free from any claim or right of any nature whatsoever of Seller, including any equity or right of purchase or redemption by Seller.

Buyer shall apply the proceeds of the collateral realized upon the exercise of any such rights or remedies to reduce Seller's obligations under this Agreement (Seller remains liable for any amounts owing to Buyer after such application), subject to Buyer's obligation to return any surplus proceeds remaining after these obligations are satisfied in full.

8.10 **Financial Statements**. In the event a Guaranty is provided as Performance Security in lieu of cash or a Letter of Credit, Seller shall provide to Buyer, or cause the Guarantor to provide to Buyer, unaudited quarterly and annual audited financial statements of the Guarantor (including a balance sheet and statements of income and cash flows), all prepared in accordance with industry standard accounting principles in the United States, consistently applied.

ARTICLE 9
NOTICES

9.1 **Addresses for the Delivery of Notices**. Except as provided in Exhibit D, any Notice required, permitted, or contemplated hereunder shall be in writing, shall be addressed to the Party to be notified at the address set forth on Exhibit N or at such other address or addresses as a Party may designate for itself from time to time by Notice hereunder.

9.2 **Acceptable Means of Delivering Notice**. Each Notice required, permitted, or contemplated hereunder shall be deemed to have been validly served, given or delivered as follows: (a) if sent by United States mail with proper first class postage prepaid, three (3) Business Days following the date of the postmark on the envelope in which such Notice was deposited in the United States mail; (b) if sent by a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement with such carrier made for the payment of such fees, the next Business Day after the same is delivered by the sending Party to such carrier; (c) if sent by electronic communication (including electronic mail or other electronic means) and if concurrently with the transmittal of such electronic communication the sending Party provides a copy of such electronic Notice by hand delivery or express courier, at the time indicated by the time stamp upon delivery; or (d) if delivered in person, upon receipt by the receiving Party. Notwithstanding the foregoing, Notices of outages or other scheduling or dispatch information or requests, may be sent by electronic communication and shall be considered delivered upon successful completion of such transmission.

ARTICLE 10
FORCE MAJEURE

10.1 **Definition**.

(a) "**Force Majeure Event**" means any act or event that delays or prevents a Party from timely performing all or a portion of its obligations under this Agreement or from complying with all or a portion of the conditions under this Agreement if such act or event, despite the exercise of reasonable efforts, cannot be avoided by and is beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of the Party relying thereon as justification for such delay, nonperformance, or noncompliance.

(b) Without limiting the generality of the foregoing, so long as the following events, despite the exercise of reasonable efforts, cannot be avoided by, and are beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of the Party relying thereon as justification for such delay, nonperformance or noncompliance, a Force Majeure Event may include an act of God or the elements, such as flooding, lightning, hurricanes, tornadoes, or ice storms; explosion; fire; volcanic eruption; flood; epidemic or pandemic; landslide; mudslide; sabotage; terrorism; earthquake; or other cataclysmic events; an act of public enemy; war; blockade; civil insurrection; riot; civil disturbance; or strikes or other labor difficulties caused or suffered by a Party or any third party except as set forth below. For the avoidance of doubt, so long as the event, despite the exercise of reasonable efforts, cannot be avoided by and is beyond the reasonable control (whether direct or indirect) of and without the fault or negligence of Seller, Force Majeure Event may include delays outside of Seller's control that prevent Seller from acquiring all material permits, consents, licenses, approvals or authorizations from any Governmental Authority required for Seller to own, construct, operate or maintain the Facility.

(c) Notwithstanding the foregoing, the term "**Force Majeure Event**" does not include (i) economic conditions that render a Party's performance of this Agreement at the Contract Price unprofitable or otherwise uneconomic (including an increase in component costs for any reason, including foreign or domestic tariffs, Buyer's ability to buy electric energy at a lower price, or Seller's ability to sell the Product, or any component thereof, at a higher price, than under this Agreement); (ii) Seller's inability to obtain permits or approvals of any type for the construction, operation, or maintenance of the Facility, except as set forth in the last sentence of Section 10.1(b); (iii) the inability of a Party to make payments when due under this Agreement, unless the cause of such inability is an event that would otherwise constitute a Force Majeure Event as described above; (iv) a Curtailment Period, except to the extent such Curtailment Period is caused by a Force Majeure Event; (v) Seller's inability to obtain sufficient labor, equipment, materials, or other resources to build or operate the Facility except to the extent such inability is caused by a Force Majeure Event; (vi) a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller's Affiliates, Seller's contractors, their subcontractors thereof or any other third party employed by Seller to work on the Facility; (vii) any equipment failure except if such equipment failure is caused by a Force Majeure Event; or (viii) events otherwise constituting a Force Majeure Event that prevent Seller from achieving Construction Start of the Facility following the Guaranteed Construction Start Date or achieve Commercial Operation following the Guaranteed Commercial Operation Date beyond the time periods allowed pursuant to a Development Cure Period.

10.2 **No Liability If a Force Majeure Event Occurs**. Neither Seller nor Buyer shall be liable to the other Party in the event it is prevented from performing its obligations hereunder in whole or in part due to a Force Majeure Event. The Party rendered unable to fulfill any obligation by reason of a Force Majeure Event shall take reasonable actions necessary to remove such inability. Nothing herein shall be construed as permitting that Party to continue to fail to perform after said cause has been removed. Neither Party shall be considered in breach or default of this Agreement if and to the extent that any failure or delay in the Party's performance of one or more of its obligations hereunder is caused by a Force Majeure Event. Notwithstanding the foregoing, the occurrence and continuation of a Force Majeure Event shall not (a) suspend or excuse the obligation of a Party to make any payments due hereunder, (b) suspend or excuse the obligation of Seller to achieve the Guaranteed Construction Start Date or the Guaranteed

Commercial Operation Date beyond the extensions provided in Exhibit B, or (c) limit Buyer's right to declare an Event of Default pursuant to Section 11.1(b)(ii) and receive a Damage Payment upon exercise of Buyer's rights pursuant to Section 11.2.

10.3 **Notice**. In the event of any Force Majeure Event, the claiming Party shall (a) use commercially reasonable efforts to provide the other Party with oral notice of any Force Majeure Event within two (2) Business Days of obtaining knowledge of such Force Majeure Event, and (b) provide Notice within two (2) weeks of obtaining knowledge of such Force Majeure Event to the other Party addressed to the person or persons identified on Exhibit N in the form of a letter on the claiming Party's letterhead describing in detail the occurrence giving rise to the Force Majeure Event, including the nature, cause, estimated date of commencement thereof, and the anticipated extent of any delay or interruption in performance. Seller's delivery of information related to delays or Force Majeure Events pursuant to a Progress Report does not satisfy the requirements of this Section 10.3. The claiming party shall promptly notify the other Party in writing of the cessation or termination of such Force Majeure Event, all as known or estimated in good faith by the claiming Party. The suspension of performance due to a claim of a Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event. Upon written request from Buyer, Seller shall provide documentation demonstrating to Buyer's reasonable satisfaction that each day of the claimed delay was the result of a Force Majeure Event and did not result from Seller's actions or failure to exercise due diligence or take reasonable actions.

10.4 **Termination Following Force Majeure Event**. If a Force Majeure Event has occurred after the Commercial Operation Date that has caused either Party to be wholly or partially unable to perform its obligations hereunder, and the impacted Party has claimed and received relief from performance of its obligations for a consecutive twelve (12) month period, then the non-claiming Party may terminate this Agreement upon written Notice to the other Party. [redacted]

ARTICLE 11
DEFAULTS; REMEDIES; TERMINATION

11.1 **Events of Default**. An "**Event of Default**" shall mean,

(a) with respect to a Party (the "**Defaulting Party**") that is subject to the Event of Default the occurrence of any of the following:

(i) the failure by such Party to make, when due, any payment required pursuant to this Agreement and such failure is not remedied within ten (10) Business Days after Notice thereof;

(ii) any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof (or such longer additional period, not

to exceed an additional sixty (60) days, if the Defaulting Party is unable to remedy such default within such initial thirty (30) days period despite exercising commercially reasonable efforts);

(iii) the failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default set forth in this Section 11.1; and except for, with respect to Seller, (1) failure to deliver Capacity Attributes, the exclusive remedies for which are set forth in Section 3.8, (2) failures related to the Adjusted Energy Production that do not trigger the provisions of Section 11.1(b)(iv), (vi) or (vii), the exclusive remedies for which are set forth in Section 4.7 and Exhibit G; and (3) failures related to the Monthly Storage Availability that do not trigger the provisions of Section 11.1(b)(v), the exclusive remedies for which are set forth in Section 4.8 and Exhibit P) and such failure is not remedied within thirty (30) days after Notice thereof (or such longer additional period, not to exceed an additional ninety (90) days, if the Defaulting Party is unable to remedy such default within such initial thirty (30) days period despite exercising commercially reasonable efforts);

(iv) such Party becomes Bankrupt;

(v) such Party assigns this Agreement or any of its rights hereunder other than in compliance with Article 14; or

(vi) such Party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer, the resulting, surviving or transferee entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of Law or pursuant to an agreement reasonably satisfactory to the other Party.

(b) with respect to Seller as the Defaulting Party, the occurrence of any of the following:

(i) if at any time, Seller delivers or attempts to deliver electric energy to the Delivery Point for sale under this Agreement that was not generated or discharged by the Facility;

(ii) subject to the Development Cure Period, the failure by Seller to either (A) achieve Commercial Operation within sixty (60) days after the Guaranteed Commercial Operation Date, or (B) achieve Construction Start within one hundred eighty (180) days after the Guaranteed Construction Start Date;

(iii) if not remedied within ten (10) Business Days after Notice thereof, the failure by Seller to deliver a reasonable Remedial Action Plan required under Section 2.4;

(iv) if, in any consecutive six (6) month period after the Commercial Operation Date, the Adjusted Energy Production amount (calculated in accordance with Exhibit G) for such period is not at least [redacted] of the Expected Energy amount for such period, and Seller fails to (A) either (x) demonstrate to Buyer's reasonable satisfaction, within fifteen (15) Business Days after Notice from Buyer, a legitimate reason for the failure to meet the [redacted]; or (y) deliver to Buyer within fifteen (15) Business Days after Notice from Buyer a plan or report developed by Seller that describes the cause of the failure to meet the [redacted]

[redacted] and the actions that Seller has taken, is taking, or proposes to take in an effort to cure such condition along with the written confirmation of a Licensed Professional Engineer that such plan or report is in accordance with Prudent Operating Practices and capable of cure within a reasonable period of time, not to exceed one-hundred eighty (180) days (or three-hundred sixty (360) days if such failure is due to an outage of the Generating Facility's final step-up transformer), and (B) complete such cure plan in all material respects as set forth therein, including within the timeframe set forth therein;

(v) i [redacted] the average Monthly Storage Availability (as calculated in a manner that includes Force Majeure Events as Excused Events) is, in each Contract Year, [redacted] and Seller fails to (A) deliver to Buyer within fifteen (15) Business Days after Notice from Buyer a plan or report developed by Seller that describes the cause of the failure to meet the [redacted] and the actions that Seller has taken, is taking, or proposes to take in an effort to cure such condition along with the written confirmation of a Licensed Professional Engineer that such plan or report is in accordance with Prudent Operating Practices and capable of cure within a reasonable period of time, not to exceed one-hundred eighty (180) days (or three-hundred sixty (360) days if such failure is due to an outage of the Storage Facility's final step-up transformer), and (B) complete such cure plan in all material respects as set forth therein, including within the timeframe set forth therein;

(vi) if, [redacted] during the Delivery Term, the Adjusted Energy Production amount is not at least [redacted] of the Expected Energy amount for such Contract Year and Seller fails to (A) deliver to Buyer within fifteen (15) Business Days after Notice from Buyer a plan or report developed by Seller that describes the cause of the failure to meet [redacted] of the Expected Energy amount for such Contract Year and the actions that Seller has taken, is taking, or proposes to take in an effort to cure such condition along with the written confirmation of a Licensed Professional Engineer that such plan or report is in accordance with Prudent Operating Practices and capable of cure within a reasonable period of time, not to exceed one-hundred eighty (180) days (or three-hundred sixty (360) days if such failure is due to an outage of the Generating Facility's final step-up transformer), and (B) complete such cure plan in all material respects as set forth therein, including within the timeframe set forth therein;

(vii) if, [redacted] period during the Delivery Term, the Adjusted Energy Production amount is not at least [redacted] of the Expected Energy amount in each Contract Year and Seller fails to (A) deliver to Buyer within fifteen (15) Business Days after Notice from Buyer a plan or report developed by Seller that describes the cause of the failure to meet [redacted] of the Expected Energy amount for each Contract Year and the actions that Seller has taken, is taking, or proposes to take in an effort to cure such condition along with the written confirmation of a Licensed Professional Engineer that such plan or report is in accordance with Prudent Operating Practices and capable of cure within a reasonable period of time, not to exceed one-hundred eighty (180) days (or three-hundred sixty (360) days if such failure is due to an outage of the Generating Facility's final step-up transformer), and (B) complete such cure plan in all material respects as set forth therein, including within the timeframe set forth therein;

(viii) if, Seller fails to maintain an average Efficiency Rate of at least [redacted];

(ix) failure by Seller to satisfy the collateral requirements pursuant to Sections 8.7 or 8.8 after Notice and expiration of the cure periods set forth therein;

(x) with respect to any Guaranty provided for the benefit of Buyer, the failure by Seller to provide for the benefit of Buyer either (1) cash, (2) a replacement Guaranty from a different Guarantor meeting the criteria set forth in the definition of Guarantor, or (3) a replacement Letter of Credit from an issuer meeting the criteria set forth in the definition of Letter of Credit, in each case, in the amount required hereunder within ten (10) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) if any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated, and such default is not remedied within thirty (30) days after Notice thereof;

(B) the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any Guaranty;

(C) the Guarantor becomes Bankrupt;

(D) the Guarantor shall fail to meet the criteria for an acceptable Guarantor as set forth in the definition of Guarantor;

(E) the failure of the Guaranty to be in full force and effect (other than in accordance with its terms) prior to the indefeasible satisfaction of all obligations of Seller hereunder; or

(F) the Guarantor shall repudiate, disaffirm, disclaim, or reject, in whole or in part, or challenge the validity of any Guaranty; or

(xi) with respect to any outstanding Letter of Credit provided for the benefit of Buyer that is not then required under this Agreement to be canceled or returned, the failure by Seller to provide for the benefit of Buyer either (1) cash, or (2) a substitute Letter of Credit from a different issuer meeting the criteria set forth in the definition of Letter of Credit, or (3) a replacement Guaranty from a Guarantor meeting the criteria set forth in the definition of Guarantor, in each case, in the amount required hereunder within ten (10) Business Days after Seller receives Notice of the occurrence of any of the following events:

(A) the issuer of the outstanding Letter of Credit shall fail to maintain a Credit Rating of at least A- by S&P or A3 by Moody's;

(B) the issuer of such Letter of Credit becomes Bankrupt;

(C) the issuer of the outstanding Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit and such

failure shall be continuing after the lapse of any applicable grace period permitted under such Letter of Credit;

(D) the issuer of the outstanding Letter of Credit shall fail to honor a properly documented request to draw on such Letter of Credit;

(E) the issuer of the outstanding Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit;

(F) such Letter of Credit fails or ceases to be in full force and effect at any time; or

(G) Seller shall fail to renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit and as provided in accordance with this Agreement, and in no event less than sixty (60) days prior to the expiration of the outstanding Letter of Credit.

11.2 **Remedies; Declaration of Early Termination Date**. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party ("**Non-Defaulting Party**") shall have the following rights:

(a) to send Notice, designating a day, no earlier than the day such Notice is deemed to be received and no later than twenty (20) days after such Notice is deemed to be received, as an early termination date of this Agreement ("**Early Termination Date**") that terminates this Agreement (the "**Terminated Transaction**") and ends the Delivery Term effective as of the Early Termination Date;

(b) to accelerate all amounts owing between the Parties, and to collect as liquidated damages (i) the Damage Payment (in the case of an Event of Default by Seller occurring before the Commercial Operation Date, including an Event of Default under Section 11.1(b)(ii)), or (ii) the Termination Payment calculated in accordance with Section 11.3 below (in the case of any other Event of Default by either Party);

(c) to withhold any payments due to the Defaulting Party under this Agreement;

(d) to suspend performance; or

(e) to exercise any other right or remedy available at law or in equity, including specific performance or injunctive relief, except to the extent such remedies are expressly limited under this Agreement; *provided*, that payment by the Defaulting Party of the Damage Payment or Termination Payment, as applicable, shall constitute liquidated damages and the Non-Defaulting Party's sole and exclusive remedy for the Terminated Transaction and the Event of Default related thereto.

11.3 **Termination Payment**. The Termination Payment ("**Termination Payment**") for the Terminated Transaction shall be the aggregate of the Settlement Amount plus any or all other

amounts due to or from the Non-Defaulting Party (as of the Early Termination Date) netted into a single amount. If the Non-Defaulting Party's aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the net Settlement Amount shall be zero. The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for the Terminated Transaction as of the Early Termination Date. Third parties supplying information for purposes of the calculation of Gains or Losses may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors and other sources of market information. The Settlement Amount shall not include consequential, incidental, punitive, exemplary, indirect or business interruption damages. Without prejudice to the Non-Defaulting Party's duty to mitigate, the Non-Defaulting Party shall not have to enter into replacement transactions to establish a Settlement Amount. Each Party agrees and acknowledges that (a) the actual damages that the Non-Defaulting Party would incur in connection with the Terminated Transaction would be difficult or impossible to predict with certainty, (b) the Damage Payment or Termination Payment described in Section 11.2 or this Section 11.3 (as applicable) is a reasonable and appropriate approximation of such damages, and (c) the Damage Payment or Termination Payment described in Section 11.2 or this Section 11.3 (as applicable) is the exclusive remedy of the Non-Defaulting Party in connection with the Terminated Transaction but shall not otherwise act to limit any of the Non-Defaulting Party's rights or remedies if the Non-Defaulting Party does not elect a Terminated Transaction as its remedy for an Event of Default by the Defaulting Party.

11.4 **Notice of Payment of Damage Payment or Termination Payment**. As soon as practicable after a Terminated Transaction, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Damage Payment or Termination Payment, as applicable, and, if applicable, whether the Termination Payment is due to or from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Damage Payment or Termination Payment, as applicable, shall be made to the Non-Defaulting Party within ten (10) Business Days after such Notice is effective.

11.5 **Disputes With Respect to Damage Payment or Termination Payment**. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Damage Payment or Termination Payment, as applicable, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of the Non-Defaulting Party's calculation of the Damage Payment or Termination Payment, as applicable, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Disputes regarding the Damage Payment or Termination Payment, as applicable shall be determined in accordance with Article 15.

11.6 **Rights And Remedies Are Cumulative**. Except where an express and exclusive remedy or measure of liquidated damages is provided, the rights and remedies of a Party pursuant to this Article 11 shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement. The Non-Defaulting Party shall be obligated to use commercially reasonable efforts to mitigate its Costs, Losses and damages resulting from or arising out of any Event of Default of the other Party under this Agreement.

11.7 [redacted]

[redacted]

ARTICLE 12
LIMITATION OF LIABILITY AND EXCLUSION OF WARRANTIES.

12.1 **No Consequential Damages**. EXCEPT TO THE EXTENT PART OF AN EXPRESS REMEDY OR MEASURE OF DAMAGES HEREIN, OR INCLUDED IN A LIQUIDATED DAMAGES CALCULATION, OR ARISING FROM FRAUD OR INTENTIONAL MISREPRESENTATION, NEITHER PARTY SHALL BE LIABLE TO THE OTHER OR ITS INDEMNIFIED PERSONS FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT, OR CONSEQUENTIAL DAMAGES, OR LOSSES OR DAMAGES FOR LOST REVENUE OR LOST PROFITS, WHETHER FORESEEABLE OR NOT, ARISING OUT OF, OR IN CONNECTION WITH THIS AGREEMENT, BY STATUTE, IN TORT OR CONTRACT.

12.2 **Waiver and Exclusion of Other Damages**. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. ALL LIMITATIONS OF LIABILITY CONTAINED IN THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE PERTAINING TO SELLER'S LIMITATION OF LIABILITY AND THE PARTIES' WAIVER OF CONSEQUENTIAL DAMAGES, SHALL APPLY EVEN IF THE REMEDIES FOR BREACH OF WARRANTY PROVIDED IN THIS AGREEMENT ARE DEEMED TO "FAIL OF THEIR ESSENTIAL PURPOSE" OR ARE OTHERWISE HELD TO BE INVALID OR UNENFORCEABLE.

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS AND EXCLUSIVE REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES ONLY. BUYER AND SELLER ACKNOWLEDGE AND AGREE THAT THE VALUE OF ANY TAX CREDITS LOST AND THE AMOUNT OF ANY RENEWABLE ENERGY INCENTIVES RECAPTURED AS A RESULT OF BUYER'S DEFAULT SHALL BE DEEMED DIRECT DAMAGES FOR PURPOSES OF THIS ARTICLE 12.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, INCLUDING UNDER SECTIONS 3.8, 4.7, 4.8, 11.2 AND 11.3, AND AS PROVIDED IN EXHIBIT B, EXHIBIT G, AND EXHIBIT P THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, THAT OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT, AND THAT THE LIQUIDATED DAMAGES CONSTITUTE A REASONABLE APPROXIMATION OF THE ANTICIPATED HARM OR LOSS. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. THE PARTIES HEREBY WAIVE ANY RIGHT TO CONTEST SUCH PAYMENTS AS AN UNREASONABLE PENALTY.

THE PARTIES ACKNOWLEDGE AND AGREE THAT MONEY DAMAGES AND THE EXPRESS REMEDIES PROVIDED FOR HEREIN ARE AN ADEQUATE REMEDY FOR THE BREACH BY THE OTHER OF THE TERMS OF THIS AGREEMENT, AND EACH PARTY WAIVES ANY RIGHT IT MAY HAVE TO SPECIFIC PERFORMANCE WITH RESPECT TO ANY OBLIGATION OF THE OTHER PARTY UNDER THIS AGREEMENT.

ARTICLE 13
REPRESENTATIONS AND WARRANTIES; AUTHORITY

13.1 **Seller's Representations and Warranties**. As of the Effective Date, Seller represents and warrants as follows:

(a) Seller is a California corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and is qualified to conduct business in the state of California and each jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Seller.

(b) Seller has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on Seller's performance under this Agreement. The execution, delivery and performance of this Agreement by Seller has been duly

authorized by all necessary corporate action on the part of Seller and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Seller or any other party to any other agreement with Seller.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Seller with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Seller, subject to any permits that have not yet been obtained by Seller, the documents of formation of Seller or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Seller is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by Seller. This Agreement is a legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) The Facility is located in the State of California.

(f) Seller will be responsible for obtaining all permits necessary to construct and operate the Facility.

13.2 **Buyer's Representations and Warranties**. As of the Effective Date, Buyer represents and warrants as follows:

(a) Buyer is a joint powers authority and a validly existing community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members. All Persons making up the governing body of Buyer are the elected or appointed incumbents in their positions and hold their positions in good standing in accordance with the Joint Powers Agreement and other Law.

(b) Buyer has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on Buyer's performance under this Agreement. The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action on the part of Buyer and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Buyer or any other party to any other agreement with Buyer.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Buyer with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Buyer, the documents of formation of Buyer or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of

indebtedness or any other agreement or instrument to which Buyer is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by Buyer. This Agreement is a legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) Buyer warrants and covenants that with respect to its contractual obligations under this Agreement, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (i) suit, (ii) jurisdiction of court (provided that such court is located within a venue permitted in law and under the Agreement), (iii) relief by way of injunction, order for specific performance or recovery of property, (iv) attachment of assets, or (v) execution or enforcement of any judgment; *provided*, *however*, that nothing in this Agreement shall waive the obligations or rights set forth in the California Tort Claims Act (Government Code Section 810 et seq.).

(f) Buyer is a "local public entity" as defined in Section 900.4 of the Government Code of the State of California.

13.3 **General Covenants**. Each Party covenants that commencing on the Effective Date and continuing throughout the Contract Term:

(a) It shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and to be qualified to conduct business in California and each jurisdiction where the failure to so qualify would have a material adverse effect on its business or financial condition;

(b) It shall maintain (or obtain from time to time as required) all regulatory authorizations, approvals and permits necessary for the operation of the Facility and for Seller to legally perform its obligations under this Agreement; and

(c) It shall perform its obligations under this Agreement in compliance with all terms and conditions in its governing documents and in material compliance with any Law.

13.4 **Prevailing Wage**. Seller shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations, and orders and decrees of any courts or administrative bodies or tribunals, including without limitation employment discrimination laws and prevailing wage laws. In addition, Seller shall use reasonable efforts to ensure that all employees hired by Seller, and its contractors and subcontractors, that will perform construction work or provide services at the Site related to construction of the Facility are paid wages at rates not less than those prevailing for workers performing similar work in the locality as provided by applicable California law, if any ("**Prevailing Wage Requirement**"). Nothing herein shall require Seller, its contractors and subcontractors to comply with, or assume liability created by other inapplicable provisions of any California labor laws. Buyer agrees that Seller's obligations under this Section 13.4 will be satisfied upon the execution of a community workforce agreement, work site, project labor agreement, collective bargaining agreement, or other similar agreement by Seller's primary EPC contractor related to construction of the Facility.

13.5 **Prohibition on Use of Forced Labor**. Seller represents and warrants that it has not and shall not knowingly utilize materials, products or components for the construction, operation or maintenance of the Facility that rely on work or services exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily ("**Forced Labor**"). Seller shall comprehensively implement due diligence procedures for its and its Affiliate's suppliers, subcontractors and other participants in its supply chains, to comply with this prohibition on the use of Forced Labor. Seller shall notify Buyer as soon as it becomes aware of any breach, or potential breach, of its obligations under this Section 13.5. Consistent with the business advisory issued by the U.S. Departments of State, Treasury, Commerce and Homeland Security on July 1, 2020, equipment or resources sourced from the Xinjiang region of China are presumed to involve Forced Labor.

ARTICLE 14
ASSIGNMENT

14.1 **General Prohibition on Assignments**. Except as provided in this Article 14, neither Party may voluntarily assign this Agreement or its rights or obligations under this Agreement, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed, except as provided below. Any assignment made without required written consent, or in violation of the conditions to assignment set out below, shall be null and void. Seller shall be responsible for Buyer's reasonable costs associated with the preparation, review, execution and delivery of documents in connection with any assignment of this Agreement by Seller, including without limitation reasonable attorneys' fees.

14.2 **Collateral Assignment**. Subject to the provisions of this Section 14.2, Seller has the right to assign this Agreement as collateral for any financing or refinancing of the Facility. In connection with any financing or refinancing of the Facility by Seller, Buyer shall in good faith work with Seller and Lender to agree upon a consent to collateral assignment of this Agreement ("**Collateral Assignment Agreement**"). The Collateral Assignment Agreement must be in form and substance agreed to by Buyer, Seller and Lender, with such agreement not to be unreasonably withheld, and shall include, among others, the following provisions, unless otherwise agreed by Buyer, Seller and Lender:

(a) Buyer shall give Notice of an Event of Default by Seller to the Person(s) to be specified by Lender in the Collateral Assignment Agreement, before exercising its right to terminate this Agreement as a result of such Event of Default; *provided* that such notice shall be provided to Lender at the time such notice is provided to Seller and any additional cure period of Lender agreed to in the Collateral Assignment Agreement shall not commence until Lender has received notice of such Event of Default;

(b) Following an Event of Default by Seller under this Agreement, Buyer may require Seller or Lender (if Lender has provided the notice set forth in subsection (c) below) to provide to Buyer a report concerning:

(i) The status of efforts by Seller or Lender to develop a plan to cure the Event of Default;

(ii) Impediments to the cure plan or its development;

(iii) If a cure plan has been adopted, the status of the cure plan's implementation (including any modifications to the plan as well as the expected timeframe within which any cure is expected to be implemented); and

(iv) Any other information which Buyer may reasonably require related to the development, implementation and timetable of the cure plan.

Seller or Lender must provide the report to Buyer within ten (10) Business Days after Notice from Buyer requesting the report. Buyer will have no further right to require the report with respect to a particular Event of Default after that Event of Default has been cured;

(c) Lender will have the right to cure an Event of Default on behalf of Seller, only if Lender sends a written notice to Buyer before the later of (i) the expiration of any cure period under this Agreement, and (ii) five (5) Business Days after Lender's receipt of notice of such Event of Default from Buyer, indicating Lender's intention to cure. Lender must remedy or cure the Event of Default within the cure period under this Agreement and any additional cure periods agreed in the Collateral Assignment Agreement up to a maximum of ninety (90) days (or one hundred eighty (180) days in the event of a bankruptcy of Seller or any foreclosure or similar proceeding if required by Lender to cure any Event of Default); *provided* that if Lender is prohibited by any court order or bankruptcy or insolvency proceedings from curing the Event of Default or from commencing or prosecuting foreclosure proceedings, the foregoing time periods shall be extended by the period of such prohibition;

(d) Lender will have the right to consent before any termination of this Agreement which does not arise out of an Event of Default;

(e) Lender will receive prior Notice of and the right to approve material amendments to this Agreement, which approval will not be unreasonably withheld, delayed or conditioned;

(f) If Lender, directly or indirectly, takes possession of, or title to the Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), Lender must assume all of Seller's obligations arising under this Agreement and all related agreements (subject to such limits on liability as are mutually agreed to by Seller, Buyer and Lender as set forth in the Collateral Assignment Agreement); *provided*, before such assumption, if Buyer advises Lender that Buyer will require that Lender cure (or cause to be cured) any Event of Default existing as of the possession date and capable of cure in order to avoid the exercise by Buyer (in its sole discretion) of Buyer's right to terminate this Agreement with respect to such Event of Default, then Lender at its option, and in its sole discretion, may elect to either:

(i) Cause such Event of Default to be cured (other than any Events of Default which relate to Seller's bankruptcy or similar insolvency proceedings, to representations and warranties made by Seller or to Seller's failure to perform obligations under other agreements, or which are otherwise personal to Seller); or

(ii) Not assume this Agreement;

(g) If Lender elects to sell or transfer the Facility (after Lender directly or indirectly, takes possession of, or title to the Facility), or a sale of the Facility occurs through the actions of Lender (for example, a foreclosure sale where a third party is the buyer, or otherwise), then Lender must cause the transferee or buyer to assume all of Seller's obligations arising under this Agreement and all related agreements as a condition of the sale or transfer. Such sale or transfer may be made only to an entity that (i) meets the definition of Permitted Transferee and (ii) is an entity that Buyer is permitted to contract with under applicable Law; and

(h) Subject to Lender's cure of any Events of Defaults under the Agreement in accordance with Section 14.2(f), if (i) this Agreement is rejected in Seller's Bankruptcy or otherwise terminated in connection therewith Lender shall have the right to elect within forty-five (45) days after such rejection or termination, to enter into a replacement agreement with Buyer having substantially the same terms as this Agreement for the remaining term thereof, and, promptly after Lender's written request, Buyer must enter into such replacement agreement with Lender or Lender's designee, or (ii) if Lender or its designee, directly or indirectly, takes possession of, or title to, the Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure) after any such rejection or termination of this Agreement, promptly after Buyer's written request which must be made within forty-five (45) days after Buyer receives notice of such rejection or termination, Lender must itself or must cause its designee to promptly enter into a new agreement with Buyer having substantially the same terms as this Agreement for the remaining term thereof; *provided* that in the event a designee of Lender, directly or indirectly, takes possession of, or title to, the Facility (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), such designee must meet the definition of Permitted Transferee.

14.3 **Permitted Assignment by Seller**. Seller may, without the prior written consent of Buyer, transfer or assign this Agreement, including through a Change of Control, to an Affiliate of Seller or if: The assignee is a Permitted Transferee;

(b) Seller has given Buyer Notice at least fifteen (15) Business Days before the date of such proposed assignment or Change of Control;

(c) Except in the case of a Change of Control, Seller has provided Buyer a written agreement or certificate signed by the Person to which Seller wishes to assign its interests that provides that such Person will assume all of Seller's obligations and liabilities under this Agreement upon such transfer or assignment;

(d) Seller has provided Buyer with a certificate signed by the Person to which Seller wishes to assign its interests certifying that such Person meets the definition of a Permitted Transferee; and

(e) Such transfer or assignment is not in violation of applicable Law.

Notwithstanding the foregoing, neither the transfer or assignment of this Agreement through foreclosure by any Lender on the assets of Seller or on the direct or indirect ownership interests in Seller nor the transfer or assignment of this Agreement or such ownership interests in Seller to any Lender in lieu of such foreclosure (including any transfer or assignment of this Agreement or such ownership interests in Seller subsequent to such foreclosure or transfer or assignment in lieu of

foreclosure to a Permitted Transferee) shall require Buyer's consent. Except as expressly provided above, any assignment by Seller, its successors or assigns under this Section 14.3 shall be of no force and effect unless and until the Notice under clause (b) and the agreements and certificates required under clauses (c) and (d), if applicable, by the assignee have been received by Buyer.

14.4 **Buyer Limited Assignment**. Notwithstanding anything to the contrary, Buyer may make a limited assignment in connection with a municipal prepayment transaction to an entity ("**Limited Assignee**") that has an Investment Grade Credit Rating, or provides a parent guaranty in form and substance reasonably acceptable to Seller from an entity with an Investment Grade Credit Rating, of Buyer's right to receive Product (which shall not be for retail sale) and its obligation to make payments to the Seller, which assignment shall be expressly subject to the Limited Assignee's timely payment of amounts due under the Agreement, at any time upon not less than thirty (30) days' Notice by delivering a written request for such assignment, which request must include a proposed form of agreement substantially in the form attached hereto as Exhibit S, or as otherwise reasonably acceptable to Seller. Provided that Buyer delivers a proposed assignment agreement complying with the previous sentence, Seller agrees to (a) comply with Limited Assignee's reasonable requests for know-your-customer and similar account opening information and documentation with respect to Seller, including but not limited to information related to forecasted generation, credit rating, and compliance with anti-money laundering rules, the Dodd-Frank Act, the Commodity Exchange Act, the Patriot Act and similar rules, regulations, requirements and corresponding policies; and (b) promptly execute such assignment agreement and implement such assignment as contemplated thereby, subject only to the countersignature of Limited Assignee and Buyer and Seller's ability to make the representations and warranties contained therein. Limited Assignee and Buyer shall comply with all reasonable requests received by any Lender in connection with such limited assignment, including providing any Lender requested acknowledgments, as set forth in any executed Collateral Assignment Agreement between Buyer and such Lender.

ARTICLE 15
DISPUTE RESOLUTION

15.1 **Governing Law**. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of laws. To the extent enforceable, at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement.

15.2 **Venue**. The Parties agree that any suit, action or other legal proceeding by or against any Party (or its Affiliates or designees) with respect to or arising out of this Agreement shall be brought in the federal courts of the United States or the courts of the State of California sitting in Santa Clara County, California.

15.3 **Dispute Resolution**. In the event of any dispute arising under this Agreement, within ten (10) days following the receipt of a written Notice from either Party identifying such dispute, the Parties shall meet, negotiate and attempt, in good faith, to resolve the dispute quickly, informally and inexpensively. If the Parties are unable to resolve a dispute arising hereunder within the earlier of either thirty (30) days of initiating such discussions, or within forty (40) days after

Notice of the dispute, the Parties shall submit the dispute to mediation prior to seeking any and all remedies available to it at Law in or equity. The Parties will cooperate in selecting a qualified neutral mediator selected from a panel of neutrals and in scheduling the time and place of the mediation as soon as reasonably possible, but in no event later than thirty (30) days after the request for mediation is made. The Parties agree to participate in the mediation in good faith and to share the costs of the mediation, including the mediator's fee, equally, but such shared costs shall not include each Party's own attorneys' fees and costs, which shall be borne solely by such Party. If the mediation is unsuccessful, then either Party may seek any and all remedies available to it at law or in equity, subject to the limitations set forth in this Agreement.

ARTICLE 16
INDEMNIFICATION

16.1 **Mutual Indemnity**.

(a) Each Party (the "**Indemnifying Party**") agrees to defend, indemnify and hold harmless, the other Party, its Affiliates, directors, officers, agents, attorneys, employees and representatives (each an "**Indemnified Party**" and collectively, the "**Indemnified Group**") from and against all third party claims, demands, losses, liabilities, penalties, and expenses, including reasonable attorneys' and expert witness fees, for personal injury or death to Persons and damage to the property of any third party to the extent arising out of, resulting from, or caused by the negligent or willful misconduct of the Indemnifying Party, its Affiliates, its directors, officers, employees or agents (collectively, "**Indemnifiable Losses**").

(b) Nothing in this Section shall enlarge or relieve Seller or Buyer of any liability to the other for any breach of this Agreement. Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts, or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligations to pay claims consistent with the provisions of a valid insurance policy.

16.2 **Notice of Claim**. Subject to the terms of this Agreement and upon obtaining knowledge of an Indemnifiable Loss for which it is entitled to indemnity under this Article 16, the Indemnified Party will promptly notify the Indemnifying Party in writing of any damage, claim, loss, liability or expense which Indemnified Party has determined has given or could give rise to an Indemnifiable Loss under Section 16.1 ("**Claim**"). The Notice is referred to as a "**Notice of Claim**". A Notice of Claim will specify, in reasonable detail, the facts known to Indemnified Party regarding the Indemnifiable Loss.

16.3 **Failure to Provide Notice**. A failure to give timely Notice or to include any specified information in any Notice as provided in this Section 16.3 will not affect the rights or obligations of any Party hereunder except and only to the extent that, as a result of such failure, any Party which was entitled to receive such Notice was deprived of its right to recover any payment under its applicable insurance coverage or was otherwise materially damaged as a direct result of such failure and, provided further, Indemnifying Party is not obligated to indemnify any member of the Indemnified Group for the increased amount of any Indemnifiable Loss which would otherwise have been payable to the extent that the increase resulted from the failure to deliver timely a Notice of Claim.

16.4 **Defense of Claims**. If, within ten (10) Business Days after giving a Notice of Claim regarding a Claim to Indemnifying Party pursuant to Section 16.2, Indemnified Party receives Notice from Indemnifying Party that Indemnifying Party has elected to assume the defense of such Claim, Indemnifying Party will not be liable for any legal expenses subsequently incurred by Indemnified Party in connection with the defense thereof; *provided*, *however*, that if Indemnifying Party fails to take reasonable steps necessary to defend diligently such Claim within ten (10) Business Days after receiving Notice from Indemnifying Party that Indemnifying Party believes Indemnifying Party has failed to take such steps, or if Indemnifying Party has not undertaken fully to indemnify Indemnified Party in respect of all Indemnifiable Losses relating to the matter, Indemnified Party may assume its own defense, and Indemnifying Party will be liable for all reasonable costs or expenses, including attorneys' fees, paid or incurred in connection therewith. Without the prior written consent of Indemnified Party, Indemnifying Party will not enter into any settlement of any Claim which would lead to liability or create any financial or other obligation on the part of Indemnified Party for which Indemnified Party is not entitled to indemnification hereunder; *provided*, *however*, Indemnifying Party may accept any settlement without the consent of Indemnified Party if such settlement provides a full release to Indemnified Party and no requirement that Indemnified Party acknowledge fault or culpability. If a firm offer is made to settle a Claim without leading to liability or the creation of a financial or other obligation on the part of Indemnified Party for which Indemnified Party is not entitled to indemnification hereunder and Indemnifying Party desires to accept and agrees to such offer, Indemnifying Party will give Notice to Indemnified Party to that effect. If Indemnified Party fails to consent to such firm offer within ten (10) calendar days after its receipt of such Notice, Indemnified Party may continue to contest or defend such Claim and, in such event, the maximum liability of Indemnifying Party to such Claim will be the amount of such settlement offer, plus reasonable costs and expenses paid or incurred by Indemnified Party up to the date of such Notice.

16.5 **Subrogation of Rights**. Upon making any indemnity payment, Indemnifying Party will, to the extent of such indemnity payment, be subrogated to all rights of Indemnified Party against any third party in respect of the Indemnifiable Loss to which the indemnity payment relates; *provided* that until Indemnified Party recovers full payment of its Indemnifiable Loss, any and all claims of Indemnifying Party against any such third party on account of said indemnity payment are hereby made expressly subordinated and subjected in right of payment to Indemnified Party's rights against such third party. Without limiting the generality or effect of any other provision hereof, Buyer and Seller shall execute upon request all instruments reasonably necessary to evidence and perfect the above-described subrogation and subordination rights.

16.6 **Rights and Remedies are Cumulative**. Except for express remedies already provided in this Agreement, the rights and remedies of a Party pursuant to this Article 16 are cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

ARTICLE 17
INSURANCE

17.1 **Insurance**.

(a) General Liability. Seller shall maintain, or cause to be maintained at its sole expense, (i) commercial general liability insurance with a minimum of liability limits in the amount

of [redacted] per occurrence and [redacted] in the aggregate. Coverage shall include products and completed operations, personal & advertising injury insurance, contractual liability, specifically covering Seller's obligations under this Agreement. The policy shall include Buyer as an additional insured but only to the extent of the liabilities assumed hereunder by Seller. Defense costs shall be provided as an additional benefit and not included with the limits of liability. Such insurance shall contain standard cross-liability and severability of interest provisions.

(b) Umbrella or Excess Liability Insurance. Seller shall maintain, or cause to be maintained at its sole expense, an Umbrella or Excess Liability Insurance policy in a minimum amount of liability of [redacted]

(c) Workers Compensation Insurance. Seller, if it has employees, shall also maintain at all times during the Contract Term Workers' Compensation and Employers' Liability insurance coverage in accordance with applicable requirements of California Law. Employer's Liability insurance shall be [redacted] for injury or death occurring as a result of each accident. With regard to bodily injury by disease, the [redacted] policy limit will apply to each employee.

(d) Business Auto Liability Insurance. Seller shall maintain at all times during the Contract Term Business Auto Liability insurance for bodily injury and property damage with limits of [redacted] per occurrence. Such insurance shall cover liability arising out of Seller's use of all owned (if any), non-owned and hired vehicles, including trailers or semi-trailers in the performance of the Agreement.

(e) Construction All-Risk Insurance. Seller shall maintain or cause to be maintained during the construction of the Facility, but only after major electrical generating equipment as arrived at the Facility, prior to the Commercial Operation Date, construction all-risk form property insurance covering the Facility during such construction periods, and naming the Lender (if any) as the loss payee where its interest may appear.

(f) Pollution Legal Liability. Seller shall maintain or cause to be maintained during the construction of the Facility prior to the Commercial Operation Date, Pollution Legal Liability Insurance in the amount of [redacted] per occurrence and in the aggregate. Such insurance shall include coverage for bodily injury and property damage, including clean-up costs and defense costs, resulting from sudden & accidental or new gradual pollution conditions.

(g) Contractor Insurance. Seller shall require the contractor under its engineering, procurement and construction contract for the Facility to carry the same levels of insurance as Seller where exposure exists. Such engineering, procurement and construction contractor shall include Seller as an additional insured to (i) Commercial General Liability insurance; (ii) Employers' Liability coverage; and (iii) Business Auto Liability insurance for bodily injury and property damage. Such engineering, procurement and construction contractor shall provide a primary and non-contributory endorsement and a waiver of subrogation to Seller for the required coverage pursuant to this Section 17.1(g).

(h) Evidence of Insurance. Within ten (10) days after execution of the Agreement and upon annual renewal thereafter, Seller shall deliver to Buyer certificates of insurance evidencing such coverage. Buyer shall be given at least thirty (30) days prior Notice by Seller in the event of any cancellation of coverage. Such insurance shall be primary coverage without right of contribution from any insurance of Buyer. Any other insurance maintained by Seller is for the exclusive benefit of Seller and shall not in any manner inure to the benefit of Buyer.

ARTICLE 18
CONFIDENTIAL INFORMATION

18.1 **Definition of Confidential Information**. The following constitutes "**Confidential Information**," whether oral or written which is delivered by Seller to Buyer or by Buyer to Seller including: (a) the terms and conditions of, and proposals and negotiations related to, this Agreement, and (b) information that either Seller or Buyer stamps or otherwise identifies as "confidential" or "proprietary" before disclosing it to the other. Confidential Information does not include (i) information that was publicly available at the time of the disclosure, other than as a result of a disclosure in breach of this Agreement; (ii) information that becomes publicly available through no fault of the recipient after the time of the delivery; (iii) information that was rightfully in the possession of the recipient (without confidential or proprietary restriction) at the time of delivery or that becomes available to the recipient from a source not subject to any restriction against disclosing such information to the recipient; and (iv) information that the recipient independently developed without a violation of this Agreement.

18.2 **Duty to Maintain Confidentiality**. Confidential Information will retain its character as Confidential Information but may be disclosed by the recipient (the "**Receiving Party**") if and to the extent such disclosure is required (a) to be made by any requirements of Law, (b) pursuant to an order of a court or (c) in order to enforce this Agreement. If the Receiving Party becomes legally compelled (by interrogatories, requests for information or documents, subpoenas, summons, civil investigative demands, or similar processes or otherwise in connection with any litigation or to comply with any applicable Law, order, regulation, ruling, regulatory request, accounting disclosure rule or standard or any exchange, control area or independent system operator rule) to disclose any Confidential Information of the disclosing Party (the "**Disclosing Party**"), Receiving Party shall provide Disclosing Party with prompt notice so that Disclosing Party, at its sole expense, may seek an appropriate protective order or other appropriate remedy. If the Disclosing Party takes no such action after receiving the foregoing notice from the Receiving Party, the Receiving Party is not required to defend against such request and shall be permitted to disclose such Confidential Information of the Disclosing Party, with no liability for any damages that arise from such disclosure. Each Party hereto acknowledges and agrees that information and documentation provided in connection with this Agreement may be subject to the California Public Records Act (California Government Code Section 7920 *et seq*.).

18.3 **Irreparable Injury; Remedies**. Receiving Party acknowledges that its obligations hereunder are necessary and reasonable in order to protect Disclosing Party and the business of Disclosing Party, and expressly acknowledges that monetary damages would be inadequate to compensate Disclosing Party for any breach or threatened breach by Receiving Party of any covenants and agreements set forth in this Article 18. Accordingly, Receiving Party acknowledges

that any such breach or threatened breach will cause irreparable injury to Disclosing Party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, Disclosing Party will be entitled to obtain injunctive relief against the threatened breach of this Article 18 or the continuation of any such breach, without the necessity of proving actual damages.

18.4 **Disclosure to Lenders, Etc.**. Notwithstanding anything to the contrary in this Article 18, Confidential Information may be disclosed by Seller to any actual or potential Lender or investor or any of their Affiliates, and Seller's actual or potential agents, consultants, contractors, or trustees, so long as the Person to whom Confidential Information is disclosed either is bound by similarly restrictive confidentiality obligations as those contained in this Agreement or agrees in writing to be bound by the confidentiality provisions of this Article 18 to the same extent as if it were a Party.

18.5 **Press Releases**. Neither Party shall issue (or cause its Affiliates to issue) a press release regarding the transactions contemplated by this Agreement unless both Parties have agreed upon the contents of any such public statement.

ARTICLE 19
MISCELLANEOUS

19.1 **Entire Agreement; Integration; Exhibits**. This Agreement, together with the Cover Sheet and Exhibits attached hereto, constitutes the entire agreement and understanding between Seller and Buyer with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits attached hereto are integral parts hereof and are made a part of this Agreement by reference. The headings used herein are for convenience and reference purposes only. In the event of a conflict between the provisions of this Agreement and those of the Cover Sheet or any Exhibit, the provisions of first the Cover Sheet, and then this Agreement shall prevail, and such Exhibit shall be corrected accordingly. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other Party as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

19.2 **Amendments**. This Agreement may only be amended, modified or supplemented by an instrument in writing executed by duly authorized representatives of Seller and Buyer; *provided*, that, for the avoidance of doubt, this Agreement may not be amended by electronic mail communications.

19.3 **No Waiver**. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.

19.4 **No Agency, Partnership, Joint Venture or Lease**. Seller and the agents and employees of Seller shall, in the performance of this Agreement, act in an independent capacity and not as officers or employees or agents of Buyer. Under this Agreement, Seller and Buyer intend to act as energy seller and energy purchaser, respectively, and do not intend to be treated as, and shall not act as, partners in, co-venturers in or lessor/lessee with respect to the Facility or any business related to the Facility. This Agreement shall not impart any rights enforceable by any

third party (other than a permitted successor or assignee bound to this Agreement or, to the extent set forth herein, any Lender) or Indemnified Party.

19.5 **Severability**. In the event that any provision of this Agreement is unenforceable or held to be unenforceable, the Parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby. The Parties shall, however, use their best endeavors to agree on the replacement of the void, illegal or unenforceable provision(s) with legally acceptable clauses which correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

19.6 **Mobile-Sierra**. Notwithstanding any other provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co*., 350 U.S. 348 (1956). Changes proposed by a non-Party or FERC acting *sua sponte* shall be subject to the most stringent standard permissible under applicable law.

19.7 **Counterparts; Electronic Signatures**. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original. The Parties may rely on electronic or scanned signatures as originals.

19.8 **Electronic Delivery**. Delivery of an executed signature page of this Agreement by electronic format (including portable document format (.pdf)) shall be the same as delivery of an original executed signature page.

19.9 **Binding Effect**. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

19.10 **No Recourse to Members of Buyer**. Buyer 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. Buyer 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 Buyer's constituent members, or the employees, directors, officers, consultants or advisors of Buyer or its constituent members, in connection with this Agreement.

19.11 **Forward Contract**. The Parties acknowledge and agree that this Agreement constitutes a "forward contract" within the meaning of the U.S. Bankruptcy Code, and Buyer and Seller are "forward contract merchants" within the meaning of the U.S. Bankruptcy Code. Each Party further agrees that, for all purposes of this Agreement, each Party waives and agrees not to

assert the applicability of the provisions of 11 U.S.C. § 366 in any bankruptcy proceeding wherein such Party is a debtor. In any such proceeding, each Party further waives the right to assert that the other Party is a provider of last resort to the extent such term relates to 11 U.S.C. §366 or another provision of 11 U.S.C. § 101-1532.

19.12 **Further Assurances**. Each of the Parties hereto agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, to give full effect to this Agreement and to carry out the intent of this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

VCI ENERGY, INC., a California corporation

By: _____

Name: _____

Title: _____

SILICON VALLEY CLEAN ENERGY AUTHORITY, a California joint powers authority

By: _____

Name: _____

Title: _____

Approved as to form:

By: _____

Name: _____

Title: _____

EXHIBIT A

FACILITY DESCRIPTION

Site Name: VCI Energy Inc

Site includes all or some of the following APNs: 841-42-015; 841-42-018; 841-42-019; 841-42-012

County: Santa Clara County

CEQA Lead Agency: Sequoia Engineering & Design Associates

Type of Generating Facility: Solar photovoltaic electricity generating facility

Operating Characteristics of Generating Facility: 50 MW AC as-available solar photovoltaic

Type of Storage Facility: A lithium-ion battery energy storage system which is capable of receiving Charging Energy from the CAISO grid.

Dedicated Interconnection Capacity: 50 MW

Maximum Charging Capacity: 50 MW

Maximum Discharging Capacity: 50 MW

Maximum Stored Energy Level: 200 MWh

Operating Restrictions of Storage Facility: See Exhibit Q

Delivery Point: PNode

PNode: PNode shall be updated by mutual agreement of Buyer and Seller prior to the initial delivery of Test Energy hereunder, to reflect the PNode then closest to the Facility.

Participating Transmission Owner: PG&E

EXHIBIT B

MAJOR PROJECT DEVELOPMENT MILESTONES AND COMMERCIAL OPERATION

1. **Major Project Development Milestones**.

(a) "**Construction Start**" will occur upon Seller's execution of an engineering, procurement, and construction contract (or similar agreement) and issuance thereunder of a notice to proceed that authorizes the contractor to mobilize to Site and begin physical construction at the Site. The date of Construction Start will be evidenced by and subject to Seller's delivery to Buyer of a certificate substantially in the form attached as Exhibit J hereto, and the date certified therein by Seller shall be the "**Construction Start Date**." The Seller shall cause Construction Start to occur no later than the Guaranteed Construction Start Date.

(b) If Construction Start is not achieved by the Guaranteed Construction Start Date, Seller shall pay Daily Delay Damages to Buyer on account of such delay. Daily Delay Damages shall be payable for each day for which Construction Start has not begun by the Guaranteed Construction Start Date. Daily Delay Damages shall be payable to Buyer by Seller until Seller reaches Construction Start of the Facility. On or before the tenth (10th) day of each month, Buyer shall invoice Seller for Daily Delay Damages, if any, accrued during the prior month and, within ten (10) Business Days following Seller's receipt of such invoice, Seller shall pay Buyer the amount of the Daily Delay Damages set forth in such invoice. Daily Delay Damages shall be refundable to Seller pursuant to Section 2(b) of this Exhibit B. The Parties agree that Buyer's receipt of Daily Delay Damages shall be Buyer's sole and exclusive remedy for Seller's unexcused delay in achieving the Construction Start Date on or before the Guaranteed Construction Start Date, but shall (x) not be construed as Buyer's declaration that an Event of Default has occurred under any provision of Section 11.1 and (y) not limit Buyer's right to declare an Event of Default pursuant to Section 11.1(b)(ii) and receive a Damage Payment upon exercise of Buyer's default right pursuant to Section 11.2.

2. **Commercial Operation of the Facility**. "**Commercial Operation**" means the condition existing when (i) Seller has fulfilled all of the conditions precedent in Section 2.2 of the Agreement and provided Notice from a Licensed Professional Engineer to Buyer substantially in the form of Exhibit H (the "**COD Certificate**"), and (ii) Seller has notified Buyer in writing that it has provided the required documentation to Buyer and met the conditions for achieving Commercial Operation. The "**Commercial Operation Date**" shall be the later of [redacted]

(a) Seller shall cause Commercial Operation for the Facility to occur by the Guaranteed Commercial Operation Date. Seller shall notify Buyer at least sixty (60) days before the anticipated Commercial Operation Date.

(b) If Seller achieves Commercial Operation by the Guaranteed Commercial Operation Date, all Daily Delay Damages paid by Seller shall be refunded to Seller. Seller shall include the

request for refund of the Daily Delay Damages with the first invoice to Buyer after Commercial Operation.

(c) If Seller does not achieve Commercial Operation by the Guaranteed Commercial Operation Date, Seller shall pay Commercial Operation Delay Damages to Buyer in advance, monthly, for each day after the Guaranteed Commercial Operation Date until the Commercial Operation Date. Commercial Operation Delay Damages shall be payable to Buyer by Seller until the Commercial Operation Date. A prorated amount will be returned to Seller if Commercial Operation is achieved during the month for which Commercial Operation Delay Damages were paid in advance. The Parties agree that Buyer's receipt of Commercial Operation Delay Damages shall be Buyer's sole and exclusive remedy for Seller's unexcused delay in achieving the Commercial Operation Date on or before the Guaranteed Commercial Operation Date, but shall (x) not be construed as Buyer's declaration that an Event of Default has occurred under any provision of Section 11.1 and (y) not limit Buyer's right to declare an Event of Default under Section 11.2(b)(ii) and receive a Damage Payment upon Buyer's exercise of its default right pursuant to Section 11.2.

(d) For the avoidance of doubt, Seller shall pay both Daily Delay Damages for not achieving Guaranteed Construction Start Date and the Commercial Operation Delay Damages for not achieving Guaranteed Commercial Operation Date if Seller does not commence construction of the Facility by the Guaranteed Commercial Operation Date.

3. **Termination for Failure to Achieve Commercial Operation**. If the Facility has not achieved Commercial Operation [redacted] after the Guaranteed Commercial Operation Date, Buyer may elect to terminate this Agreement in accordance with Sections 11.1(b)(ii) and 11.2.

4. **Extension of the Guaranteed Dates**. The Guaranteed Construction Start Date and the Guaranteed Commercial Operation Date both shall, subject to notice and documentation requirements set forth below, be automatically extended on a day-for-day basis (the "**Development Cure Period**") for the duration of any and all delays arising out of the following circumstances:

(a) a Force Majeure Event occurs; or

(b) the Interconnection Facilities or Network Upgrades are not complete and ready for the Facility to connect and sell Product at the Delivery Point by the Guaranteed Commercial Operation Date, despite the exercise of commercially reasonable efforts by Seller; or

(c) Buyer has not made all necessary arrangements to receive the PV Energy and/or Discharging Energy at the Delivery Point by the Guaranteed Commercial Operation Date.

Notwithstanding anything in this Agreement to the contrary, the cumulative extensions granted under Section 4(a) and 4(b) above under the Development Cure Period shall not exceed one [redacted] for any reason, including a Force Majeure Event, and no extension shall be given if the delay was the result of Seller's failure to take all reasonable actions to meet its requirements and deadlines; *provided*, *however*, [redacted]

[redacted] Notwithstanding the foregoing, no extension under the Development Cure Period shall be given if (i) the delay was the result of Seller's failure to take all commercially reasonable actions to meet its requirements and deadlines, (ii) Seller failed to provide requested documentation as provided below, or (iii) Seller failed to provide written notice to Buyer as required in the next sentence. Seller shall provide prompt written notice to Buyer of a delay, but in no case more than thirty (30) days after Seller became aware of such delay, except that in the case of a delay occurring within sixty (60) days of the Guaranteed Commercial Operation Date, or after such date, Seller must provide written notice within five (5) Business Days of Seller becoming aware of such delay. Upon request from Buyer, Seller shall promptly provide documentation demonstrating to Buyer's reasonable satisfaction that the delays described above did not result from Seller's actions or failure to take reasonable actions.

5. **Failure to Reach Guaranteed Capacity or Storage Contract Capacity**.

(a) *Guaranteed Capacity*. If, at Commercial Operation, the Installed PV Capacity is less than one hundred percent (100%) of the Guaranteed Capacity, Seller shall have one hundred twenty (120) days after the Commercial Operation Date to install additional capacity or Network Upgrades such that the Installed PV Capacity is equal to (but not greater than) the Guaranteed Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I hereto specifying the new Installed PV Capacity. If Seller fails to construct the Guaranteed Capacity by such date, Seller shall pay "**Capacity Damages**" to Buyer, in an amount equal to the product of (i) [redacted] and (ii) each MW (or portion thereof) that the Guaranteed Capacity exceeds the Installed PV Capacity, and the Guaranteed Capacity and other applicable portions of the Agreement shall be adjusted accordingly.

(b) *Storage Contract Capacity*. If, at Commercial Operation, the Installed Battery Capacity is less than one hundred percent (100%) of the Storage Contract Capacity, Seller shall have one hundred twenty (120) days after the Commercial Operation Date to install additional capacity or Network Upgrades such that the Installed Battery Capacity is equal to (but not greater than) one hundred percent (100%) of the Storage Contract Capacity, and Seller shall provide to Buyer a new certificate substantially in the form attached as Exhibit I hereto specifying the new Installed Battery Capacity. If Seller fails to construct the Storage Contract Capacity by such date, Seller shall pay Capacity Damages to Buyer, in an amount equal to the product of (i) [redacted] and (ii) each MW (or portion thereof) that the Storage Contract Capacity exceeds the Installed Battery Capacity, and the Storage Contract Capacity and other applicable portions of the Agreement shall be adjusted accordingly.

EXHIBIT C

COMPENSATION

Buyer shall compensate Seller for the Product in accordance with this Exhibit C.

(a) Renewable Rate. [redacted]

(b) Deemed Delivered Energy. [redacted]

(c) Excess Contract Year Deliveries Over 100%. [redacted]

(d) Excess Settlement Interval Deliveries. If during any Settlement Interval, Seller delivers Product amounts, as measured by the amount of PV Energy, in excess of the product of the Guaranteed Capacity and the duration of the Settlement Interval, expressed in hours ("**Excess MWh**"), then the price applicable to all such Excess MWh in such Settlement Interval shall be Zero Dollars ($0), and if there is a Negative LMP during such Settlement Interval, Seller shall pay to Buyer an amount equal to the absolute value of the Negative LMP times such Excess MWh ("**Negative LMP Costs**").

(e) Curtailment Payments. [redacted]

(f) Storage Rate. All Storage Product shall be paid on a monthly basis (and pro-rated for the first and last month of the Delivery Term if the Delivery Term does not start on the first day of a calendar month) at the Storage Rate, multiplied by the Availability Adjusted Storage Contract Capacity of the Storage Facility, as determined under Exhibit P. Such payment constitutes the entirety of the amount due to Seller from Buyer for the Storage Product.

(g) [redacted]

[redacted]

(h) Test Energy. Test Energy is compensated at the Test Energy Rate in accordance with Section 3.6.

(i) Tax Credits. The Parties agree that the neither the Renewable Rate, the Storage Rate nor the Test Energy Rate are subject to adjustment or amendment if Seller fails to receive any Tax Credits, or if any Tax Credits expire, are repealed or otherwise cease to apply to Seller or the Facility in whole or in part, or Seller or its investors are unable to benefit from any Tax Credits. Except as otherwise set forth in the Agreement, Seller shall bear all risks, financial and otherwise, throughout the Contract Term, associated with Seller's or the Facility's eligibility to receive Tax Credits or to qualify for accelerated depreciation for Seller's accounting, reporting or Tax purposes. The obligations of the Parties hereunder, including those obligations set forth herein regarding the purchase and price for and Seller's obligation to deliver Product, shall be effective regardless of whether the sale of Product is eligible for, or receives Tax Credits during the Contract Term.

EXHIBIT D

SCHEDULING COORDINATOR RESPONSIBILITIES

(a) Buyer as Scheduling Coordinator for the Facility. Upon Initial Synchronization of the Facility to the CAISO Grid and through the end of the Delivery Term, Buyer shall be the Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with the CAISO for the Facility for the delivery and the receipt of Test Energy and the Product at the Delivery Point and for the purposes of conducting Storage Capacity Tests. At least thirty (30) days prior to the Initial Synchronization of the Facility to the CAISO Grid, (i) Seller shall take all actions and execute and deliver to Buyer and the CAISO all documents necessary to authorize or designate Buyer (or Buyer's designee) as the Scheduling Coordinator for the Facility effective as of the Initial Synchronization of the Facility to the CAISO Grid, and (ii) Buyer shall, and shall cause its designee to, take all actions and execute and deliver to Seller and the CAISO all documents necessary to authorize or designate Buyer or its designee as the Scheduling Coordinator for the Facility effective as of the Initial Synchronization of the Facility to the CAISO Grid. On and after Initial Synchronization of the Facility to the CAISO Grid, Seller shall not authorize or designate any other party to act as the Facility's Scheduling Coordinator, nor shall Seller perform for its own benefit the duties of Scheduling Coordinator, and Seller shall not revoke Buyer's authorization to act as the Facility's Scheduling Coordinator unless agreed to by Buyer. Buyer (as the Facility's SC) shall submit Schedules to the CAISO in accordance with this Agreement and the applicable CAISO Tariff, protocols and Scheduling practices for Product on a day-ahead, hour-ahead, fifteen-minute market or real time basis, as determined by Buyer. Buyer shall cause its Scheduling Coordinator to reasonably cooperate with Seller during the testing and commissioning of the Facility prior to the Commercial Operation Date.

(b) Notices. Buyer (as the Facility's SC) shall provide Seller with access to a web-based system through which Seller shall submit to Buyer and the CAISO all notices and updates required under the CAISO Tariff regarding the Facility's status, including, but not limited to, all outage requests, forced outages, forced outage reports, clearance requests, or must offer waiver forms. Seller will cooperate with Buyer to provide such notices and updates. If the web-based system is not available, Seller shall promptly submit such information to Buyer and the CAISO (in order of preference) telephonically or by electronic mail transmission to the personnel designated to receive such information.

(c) CAISO Costs and Revenues. Except as otherwise set forth below, Buyer (as Scheduling Coordinator for the Facility) shall be responsible for CAISO costs (including penalties, Imbalance Energy costs, and other charges) and shall be entitled to all CAISO revenues (including credits, Imbalance Energy revenues, and other payments), including revenues associated with CAISO dispatches, bid cost recovery, Inter-SC Trade credits, or other credits in respect of the Product Scheduled or delivered from the Facility. Seller shall be responsible for all CAISO penalties imposed on Buyer resulting from any failure by Seller to abide by the CAISO Tariff requirements imposed on it as Facility owner (but not in connection with obligations of Buyer hereunder) or the outage notification requirements set forth in this Agreement (except to the extent such non-compliance is caused by Buyer's failure to perform its duties as Scheduling Coordinator for the Facility). The Parties agree that any Availability Incentive Payments (as defined in the CAISO Tariff) are for the benefit of the Seller and for Seller's account and that any

Non-Availability Charges (as defined in the CAISO Tariff) are the responsibility of the Seller and for Seller's account except to the extent such Non-Availability Charges are caused by Buyer's (as Scheduling Coordinator) failure to perform its must-offer requirements under Section 40.6 of the CAISO Tariff or caused by Buyer's other actions (as Scheduling Coordinator) in which case such Non-Availability Charges shall be the responsibility of Buyer and for Buyer's account. In addition, if during the Delivery Term, the CAISO implements or has implemented any sanction or penalty related to scheduling, outage reporting, or generator operation, and any such sanctions or penalties are imposed upon the Facility or to Buyer as Scheduling Coordinator due to failure by Seller to abide by the CAISO Tariff or the outage notification requirements set forth in this Agreement, the cost of the sanctions or penalties shall be the Seller's responsibility.

(d) CAISO Settlements. Buyer (as the Facility's SC) shall be responsible for all settlement functions with the CAISO related to the Facility. Buyer shall render a separate invoice to Seller for any CAISO payments, charges or penalties ("**CAISO Charges Invoice**") for which Seller is responsible under this Agreement. CAISO Charges Invoices shall be rendered after settlement information becomes available from the CAISO that identifies any such CAISO charges. Notwithstanding the foregoing, Seller acknowledges that the CAISO will issue additional invoices reflecting CAISO adjustments to such CAISO charges. Buyer will review, validate, and if requested by Seller under paragraph (e) below, dispute any charges that are the responsibility of Seller in a timely manner and consistent with Buyer's existing settlement processes for charges that are Buyer's responsibilities. Subject to Seller's right to dispute and to have Buyer pursue the dispute of any such invoices, Seller shall pay the amount of CAISO Charges Invoices within ten (10) Business Days of Seller's receipt of the CAISO Charges Invoice. If Seller fails to pay such CAISO Charges Invoice within that period, Buyer may net or offset any amounts owing to it for these CAISO Charges Invoices against any future amounts it may owe to Seller under this Agreement. The obligations under this Section with respect to payment of CAISO Charges Invoices shall survive the expiration or termination of this Agreement.

(e) Dispute Costs. Buyer (as the Facility's SC) may be required by Seller to dispute CAISO settlements in respect of the Facility. Buyer agrees to pay costs and expenses (including reasonable attorneys' fees) associated with its involvement with such CAISO disputes, except to the extent they relate to CAISO charges payable by Seller under this Agreement with respect to the Facility.

(f) Terminating Buyer's Designation as Scheduling Coordinator. At least thirty (30) days prior to expiration of this Agreement or as soon as reasonably practicable upon an earlier termination of this Agreement, the Parties will take all actions necessary to terminate the designation of Buyer as Scheduling Coordinator for the Facility as of 11:59 p.m. on such expiration date.

(g) Master Data File and Resource Data Template; Master Resource Database. The Parties will collaborate to comply with the applicable deadlines for filing and updating the information for the Facility in the CPUC Master Resource Database and Master Data File. Seller shall provide the data to Buyer that is required for the CAISO's Master Data File and Resource Data Template (or successor data systems) for the Facility consistent with this Agreement at least five (5) Business Days before the deadline for submission to CAISO and Buyer (as SC) shall promptly provide such data to CAISO. Seller shall provide the data that is required for the CPUC

Master Resource Database for the Facility consistent with this Agreement to Buyer for review and approval at least five (5) Business Days before the deadline for submission of such to the CPUC. Neither Party shall change such CAISO or CPUC data without the other Party's prior written consent. At least once per Contract Year, Seller shall review and confirm that the data provided for the CAISO's Master Data File and Resource Data Template (or successor data systems) and CPUC Master Resource Database for this Facility remains consistent with the actual operating characteristics of the Facility and provide such information to Buyer for review at least five (5) Business Days prior to submission to the CAISO or CPUC as applicable.

(h) NERC Reliability Standards. Buyer (as Scheduling Coordinator) shall, at its sole cost and expense, cooperate reasonably with Seller to the extent necessary to enable Seller to comply, and for Seller to demonstrate Seller's compliance with, NERC reliability standards, including, but not limited to, providing information that Buyer, as Scheduling Coordinator, has provided to CAISO related to the Facility or actions taken by Buyer related to Seller's compliance with NERC reliability standards.

EXHIBIT E

PROGRESS REPORTING FORM

Each Progress Report must include the following items:

1. Executive Summary.

2. Facility description.

3. Site plan of the Facility.

4. Description of any material planned changes to the Facility or the site.

5. Gantt chart schedule showing progress on achieving each of the Milestones.

6. Summary of activities during the previous calendar quarter or month, as applicable.

7. Forecast of activities scheduled for the current calendar quarter.

8. Written description about the progress relative to Seller's Milestones, including whether Seller has met or is on target to meet the Milestones.

9. List of issues that are likely to potentially affect Seller's Milestones.

10. A status report of start-up activities including a forecast of activities ongoing and after start-up, a report on Facility performance including performance projections for the next twelve (12) months.

11. If applicable, prevailing wage reports as required by Law.

12. Progress and schedule of all major agreements, contracts, permits, approvals, technical studies, financing agreements and major equipment purchase orders showing the start dates, completion dates, and completion percentages.

13. Pictures, in sufficient quantity and of appropriate detail, in order to document construction and startup progress of the Facility, the interconnection into the Transmission System and all other interconnection utility services.

14. Supplier Diversity Reporting (if applicable). Format to be provided by Buyer.

15. Any other documentation reasonably requested by Buyer.

EXHIBIT F-1

FORM OF AVERAGE EXPECTED ENERGY REPORT

	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00
JAN																								
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AUG																								
SEP																								
OCT																								
NOV																								
DEC																								

The foregoing table is provided for informational purposes only, and it shall not constitute, or be deemed to constitute, an obligation of any of the Parties to this Agreement.

EXHIBIT F-2

AVAILABLE CAPACITY

The following tables are provided for informational purposes only, and shall not constitute, or be deemed to constitute, an obligation of any of the Parties to this Agreement.

Available Generating Capacity, MW Per Hour – [*Insert Month*]

	1:00	2:00	3:00	4:00	5:00	6:00	7:00	8:00	9:00	10:00	11:00	12:00	13:00	14:00	15:00	16:00	17:00	18:00	19:00	20:00	21:00	22:00	23:00	24:00
Day 1																								
Day 2																								
Day 3																								
Day 4																								
Day 5																								
[insert additional rows for each day in the month]																								
Day 29																								
Day 30																								
Day 31																								

The following table is provided for informational purposes only, and it shall not constitute, or be deemed to constitute, an obligation of any of the Parties to this Agreement.

EXHIBIT G

GUARANTEED ENERGY PRODUCTION DAMAGES CALCULATION

In accordance with Section 4.7, if Seller fails to achieve the Guaranteed Energy Production during any Performance Measurement Period, a liquidated damages payment shall be due from Seller to Buyer, calculated as follows:

[(A – B) * (C – D)] [redacted]

where:

A = the Guaranteed Energy Production amount for the Performance Measurement Period, in MWh

B = the Adjusted Energy Production amount for the Performance Measurement Period, in MWh

C = [redacted]

D = the Renewable Rate for the Contract Year, in $/MWh

[redacted]

"**Adjusted Energy Production**" shall mean the sum of the following: PV Energy + Deemed Delivered Energy + Lost Output.

"**Lost Output**" has the meaning given in Section 4.7 of the Agreement. The Lost Output shall be calculated in the same manner as Deemed Delivered Energy is calculated, in accordance with the definition thereof.

"**Replacement Energy**" means energy produced by a facility other than the Generating Facility that, at the time delivered to Buyer, qualifies under Public Utilities Code 399.16(b)(1), and has Green Attributes that have the same or comparable value, including with respect to the timeframe for retirement of such Green Attributes, if any, as the Green Attributes that would have been generated by the Generating Facility during the Contract Year for which the Replacement Energy is being provided.

"**Replacement Green Attributes**" means Renewable Energy Credits of the same Portfolio Content Category (i.e., PCC1) as the Green Attributes portion of the Product and of the same timeframe for retirement as the Renewable Energy Credits that would have been generated by the

Generating Facility during the Performance Measurement Period for which the Replacement Green Attributes are being provided.

"**Replacement Product**" means (a) Replacement Energy, and (b) Replacement Green Attributes.

No payment shall be due if the calculation of (a) (A - B), (b) (C - D), or (c) [(A – B) * (C – D)] [redacted] yields a negative number. In no event will Buyer owe any payment to Seller pursuant to this Exhibit G.

Within sixty (60) days after each Contract Year, Buyer will send Seller Notice of the amount of damages owing, if any, which shall be payable to Buyer before the later of (a) thirty (30) days of such Notice and (b) ninety (90) days after each Performance Measurement Period.

EXHIBIT H

FORM OF COMMERCIAL OPERATION DATE CERTIFICATE

This certification ("**Certification**") of Commercial Operation is delivered by [*licensed professional engineer*] ("**Engineer**") to Silicon Valley Clean Energy Authority, a California joint powers authority **(**"**Buyer**"**)** in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ ("**Agreement**") by and between VCI Energy, Inc., a California corporation, and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

As of _[DATE]_, Engineer hereby certifies and represents to Buyer the following:

1. The Generating Facility is fully operational, reliable and interconnected, fully integrated and synchronized with the Transmission System.

2. Seller has installed equipment for the Generating Facility with a nameplate capacity of no less than [redacted] of the Guaranteed Capacity.

3. Seller has installed equipment for the Storage Facility with a nameplate capacity of no less than [redacted] of the Storage Contract Capacity.

4. The Generating Facility's testing included a performance test demonstrating peak electrical output of no less than [redacted] of the Guaranteed Capacity for the Generating Facility at the Delivery Point, as adjusted for ambient conditions on the date of the Facility testing, and such peak electrical output, as adjusted, was [*peak output in MW*].

5. The Storage Facility is fully capable of charging, storing and Discharging Energy at no less than [redacted] of the Storage Contract Capacity and receiving instructions to charge, store and discharge energy, all within the operational constraints and subject to the applicable Operating Restrictions.

6. Authorization to parallel the Facility was obtained by the Participating Transmission Owner, [Name of Participating Transmission Owner as appropriate] on [DATE].

7. The Transmission Provider has provided documentation supporting full unrestricted release for Commercial Operation by [Name of Participating Transmission Owner as appropriate] on [DATE].

8. The CAISO has provided notification supporting Commercial Operation, in accordance with the CAISO Tariff on [DATE].

9. Seller has segregated and separately metered Station Use.

EXECUTED by [LICENSED PROFESSIONAL ENGINEER]

this _____ day of _____, 20__.

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Printed Name: _____

Title: _____

EXHIBIT I

FORM OF INSTALLED CAPACITY CERTIFICATE

This certification ("**Certification**") of Installed PV Capacity and is delivered by [*licensed professional engineer*] ("**Engineer**") to Silicon Valley Clean Energy Authority, a California joint powers authority ("**Buyer**") in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____, 2024 ("**Agreement**") by and between VCI Energy, Inc., a California corporation, and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

I hereby certify the performance test for the Generating Facility demonstrated peak electrical output of [__] MW AC at the Delivery Point, as adjusted for ambient conditions on the date of the performance test ("**Installed PV Capacity**").

I hereby certify the Storage Capacity Test demonstrated a maximum dependable operating capability that can be sustained for four (4) consecutive hours to discharge electric energy of __ MW AC to the Delivery Point, in accordance with the testing procedures, requirements and protocols set forth in Section 4.9 and Exhibit O (the "**Installed Battery Capacity**").

[LICENSED PROFESSIONAL ENGINEER]

By: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT J

FORM OF CONSTRUCTION START DATE CERTIFICATE

This certification of Construction Start Date ("**Certification**") is delivered by [*SELLER ENTITY*] ("**Seller**") to Silicon Valley Clean Energy Authority, a California joint powers authority ("**Buyer**") in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ ("**Agreement**") by and between Seller and Buyer. All capitalized terms used in this Certification but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Seller hereby certifies and represents to Buyer the following:

1. Construction Start (as defined in Exhibit B of the Agreement) has occurred, and a copy of the full notice to proceed that Seller issued to its contractor as part of Construction Start is attached hereto;

2. the Construction Start Date occurred on _____ (the "**Construction Start Date**"); and

3. the precise Site on which the Facility is located is, which must be within the boundaries of the previously identified APNs (such description shall amend the description of the Site in Exhibit A): _____.

IN WITNESS WHEREOF, the undersigned has executed this Certification on behalf of Seller as of the ___ day of _____.

[SELLER ENTITY]

By:_____

Its:_____

Date:_____

EXHIBIT K

FORM OF LETTER OF CREDIT

[Issuing Bank Letterhead and Address]

IRREVOCABLE STANDBY LETTER OF CREDIT NO. [XXXXXXX]

Date:
Bank Ref.:
Amount: US$[XXXXXXXX]
Expiry Date:

Beneficiary:

Silicon Valley Clean Energy Authority
Attn: Girish Balachandran, CEO
333 W. El Camino Real, Suite 330
Sunnyvale, California 94087

Ladies and Gentlemen:

By the order of _____ ("Applicant"), we, [insert bank name and address] ("Issuer") hereby issue our Irrevocable Standby Letter of Credit No. [XXXXXXX] (the "Letter of Credit") in favor of Silicon Valley Clean Energy Authority, a California joint powers authority ("Beneficiary"), for an amount not to exceed the aggregate sum of U.S. $[XXXXXX] (United States Dollars [XXXXX] and 00/100), pursuant to that certain Renewable Power Purchase Agreement dated as of _____ and as amended (the "Agreement") between Applicant and Beneficiary. This Letter of Credit shall become effective immediately and shall expire on [Insert Date] which is one year after the issue date of this Letter of Credit, or any expiration date extended in accordance with the terms hereof (the "Expiration Date").

Funds under this Letter of Credit are available to Beneficiary by presentation on or before the Expiration Date of a dated statement purportedly signed by your duly authorized representative, in the form attached hereto as Exhibit A, containing one of the two alternative paragraphs set forth in paragraph 2 therein, referencing our Letter of Credit No. [XXXXXXX] ("Drawing Certificate").

The Drawing Certificate may be presented by (a) physical delivery, (b) as a PDF attachment to an e-mail to [*bank email address*] or (c) facsimile to [bank fax number [XXX-XXX-XXXX]] confirmed by [e-mail to [*bank email address*]] Transmittal by facsimile or email shall be deemed delivered when received.

The original of this Letter of Credit (and all amendments, if any) is not required to be presented in connection with any presentment of a Drawing Certificate by Beneficiary hereunder in order to receive payment.

We hereby agree with the Beneficiary that all documents presented under and in compliance with

the terms of this Letter of Credit, that such drafts will be duly honored upon presentation to the Issuer on or before the Expiration Date. All payments made under this Letter of Credit shall be made with Issuer's own immediately available funds by means of wire transfer in immediately available United States dollars to Beneficiary's account as indicated by Beneficiary in its Drawing Certificate or in a communication accompanying its Drawing Certificate.

Partial draws are permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance.

It is a condition of this Letter of Credit that the Expiration Date shall be deemed automatically extended without an amendment for a one year period beginning on the present Expiration Date hereof and upon each anniversary for such date, unless at least one hundred twenty (120) days prior to any such Expiration Date we have sent to you written notice by overnight courier service that we elect not to extend this Letter of Credit, in which case it will expire on the date specified in such notice. No presentation made under this Letter of Credit after such Expiration Date will be honored.

Notwithstanding any reference in this Letter of Credit to any other documents, instruments or agreements, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce Publication No. 600 (the "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. In the event of an act of God, riot, civil commotion, insurrection, war or any other cause beyond Issuer's control (as defined in Article 36 of the UCP) that interrupts Issuer's business and causes the place for presentation of the Letter of Credit to be closed for business on the last day for presentation, the Expiration Date of the Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

Please address all correspondence regarding this Letter of Credit to the attention of the Letter of Credit Department at [insert bank address information], referring specifically to Issuer's Letter of Credit No. [XXXXXXX]. For telephone assistance, please contact Issuer's Standby Letter of Credit Department at [XXX-XXX-XXXX] and have this Letter of Credit available.

[Bank Name]

_____
[Insert officer name]
[Insert officer title]

(DRAW REQUEST SHOULD BE ON BENEFICIARY'S LETTERHEAD)

Drawing Certificate

[Insert Bank Name and Address]

The undersigned, a duly authorized representative of Silicon Valley Clean Energy Authority, a California joint powers authority, as beneficiary (the "Beneficiary") of the Irrevocable Letter of Credit No. [XXXXXXX] (the "Letter of Credit") issued by [insert bank name] (the "Bank") by order of _____ (the "Applicant"), hereby certifies to the Bank as follows:

1. Applicant and Beneficiary are party to that certain Renewable Power Purchase Agreement dated as of _____, 2024 (the "Agreement").

2. Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. $_____ because a Seller Event of Default (as such term is defined in the Agreement) has occurred or other occasion provided for in the Agreement where Beneficiary is authorized to draw on the letter of credit has occurred.

OR

Beneficiary is making a drawing under this Letter of Credit in the amount of U.S. $_____, which equals the full available amount under the Letter of Credit, because Applicant is required to maintain the Letter of Credit in force and effect beyond the expiration date of the Letter of Credit but has failed to provide Beneficiary with a replacement Letter of Credit or other acceptable instrument within thirty (30) days prior to such expiration date.

3. The undersigned is a duly authorized representative of Silicon Valley Clean Energy Authority and is authorized to execute and deliver this Drawing Certificate on behalf of Beneficiary.

You are hereby directed to make payment of the requested amount to Silicon Valley Clean Energy Authority by wire transfer in immediately available funds to the following account:

[Specify account information]

Silicon Valley Clean Energy Authority, a California joint powers authority

_____
Name and Title of Authorized Representative

Date_____

EXHIBIT L

FORM OF GUARANTY

This Guaranty (this "**Guaranty**") is entered into as of [_____] (the "**Effective Date**") by and between [_____], a [_____] ("**Guarantor**"), and Silicon Valley Clean Energy Authority, a California joint powers authority (together with its successors and permitted assigns, "**Buyer**").

Recitals

A. Buyer and [*SELLER* ENTITY], a _____ ("**Seller**"), entered into that certain Renewable Power Purchase Agreement (as amended, restated or otherwise modified from time to time, the "**PPA**") dated as of [____], 2024.

B. Guarantor is entering into this Guaranty as Performance Security to secure Seller's obligations under the PPA.

C. It is in the best interest of Guarantor to execute this Guaranty inasmuch as Guarantor will derive substantial direct and indirect benefits from the execution and delivery of the PPA.

D. Initially capitalized terms used but not defined herein have the meaning set forth in the PPA.

Agreement

1. Guaranty. For value received and subject to the terms and conditions hereof, Guarantor does hereby unconditionally, absolutely and irrevocably guarantee, as primary obligor and not as a surety, to Buyer the prompt payment by Seller of any and all amounts and payment obligations now or hereafter owing from Seller to Buyer under the PPA, including, without limitation, compensation for penalties, the Termination Payment, indemnification payments or other damages, as and when required pursuant to the terms of the PPA (the "**Guaranteed Amount**"), provided, that Guarantor's aggregate liability under or arising out of this Guaranty shall not exceed _____ Dollars ($_____). The Parties understand and agree that any payment by Guarantor or Seller of any portion of the Guaranteed Amount shall thereafter reduce Guarantor's maximum aggregate liability hereunder on a dollar-for-dollar basis. This Guaranty is an irrevocable, absolute, unconditional and continuing guarantee of the full and punctual payment, and not of collection, of the Guaranteed Amount and, except as otherwise expressly addressed herein, is in no way conditioned upon any requirement that Buyer first attempt to collect the payment of the Guaranteed Amount from Seller, any other guarantor of the Guaranteed Amount or any other Person or entity or resort to any other means of obtaining payment of the Guaranteed Amount. In the event Seller shall fail to duly, completely or punctually pay any Guaranteed Amount as required pursuant to the PPA, Guarantor shall promptly pay such amount as required herein.

2. Demand Notice. For avoidance of doubt, a payment shall be due for purposes of this Guaranty only when and if a payment is due and payable by Seller to Buyer under the terms and conditions of the Agreement. If Seller fails to pay any Guaranteed Amount as required pursuant to the PPA for five (5) Business Days following Seller's receipt of Buyer's written notice of such

failure (the "**Demand Notice**"), then Buyer may elect to exercise its rights under this Guaranty and may make a demand upon Guarantor (a "**Payment Demand**") for such unpaid Guaranteed Amount. A Payment Demand shall be in writing and shall reasonably specify in what manner and what amount Seller has failed to pay and an explanation of why such payment is due and owing, with a specific statement that Buyer is requesting that Guarantor pay under this Guaranty. Guarantor shall, within five (5) Business Days following its receipt of the Payment Demand, pay the Guaranteed Amount to Buyer.

3. Scope and Duration of Guaranty. This Guaranty applies only to the Guaranteed Amount. This Guaranty shall continue in full force and effect from the Effective Date until the earlier of the following: (x) all Guaranteed Amounts have been paid in full (whether directly or indirectly through set-off or netting of amounts owed by Buyer to Seller), (y) replacement Performance Security is provided in an amount and form required by the terms of the PPA, or (z) one hundred eighty (180) days after the early termination of the PPA or expiration of the PPA by its terms. Further, this Guaranty (a) shall remain in full force and effect without regard to, and shall not be affected or impaired by any invalidity, irregularity or unenforceability in whole or in part of this Guaranty, and (b) subject to the preceding sentence, shall be discharged only by complete performance of the undertakings herein. Without limiting the generality of the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged, or otherwise affected and this Guaranty shall not be invalidated or impaired or otherwise affected for the following reasons:

(i) the extension of time for the payment of any Guaranteed Amount, or

(ii) any amendment, modification or other alteration of the PPA, or

(iii) any indemnity agreement Seller may have from any party, or

(iv) any insurance that may be available to cover any loss, except to the extent insurance proceeds are used to satisfy the Guaranteed Amount, or

(v) any voluntary or involuntary liquidation, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of, or other similar proceeding affecting, Seller or any of its assets, including but not limited to any rejection or other discharge of Seller's obligations under the PPA imposed by any court, trustee or custodian or any similar official or imposed by any law, statue or regulation, in each such event in any such proceeding, or

(vi) the release, modification, waiver or failure to pursue or seek relief with respect to any other guaranty, pledge or security device whatsoever, or

(vii) any payment to Buyer by Seller that Buyer subsequently returns to Seller pursuant to court order in any bankruptcy or other debtor-relief proceeding, or

(viii) those defenses based upon (A) the legal incapacity or lack of power or authority of any Person, including Seller and any representative of Seller to enter into the PPA or perform its obligations thereunder, (B) lack of due execution, delivery, validity or enforceability, including of the PPA, or (C) Seller's inability to pay any Guaranteed Amount or perform its obligations under the PPA, or

(ix) any other event or circumstance that may now or hereafter constitute a defense to payment of the Guaranteed Amount, including, without limitation, statute of frauds and accord and satisfaction;

provided that Guarantor reserves the right to assert for itself any defenses, setoffs or counterclaims that Seller is or may be entitled to assert against Buyer.

4. Waivers by Guarantor. Guarantor hereby unconditionally waives as a condition precedent to the performance of its obligations hereunder, with the exception of the requirements in Paragraph 2, (a) notice of acceptance, presentment or protest with respect to the Guaranteed Amounts and this Guaranty, (b) notice of any action taken or omitted to be taken by Buyer in reliance hereon, (c) any requirement that Buyer exhaust any right, power or remedy or proceed against Seller under the PPA, and (d) any event, occurrence or other circumstance which might otherwise constitute a legal or equitable discharge of a surety. Without limiting the generality of the foregoing waiver of surety defenses, it is agreed that the occurrence of any one or more of the following shall not affect the liability of Guarantor hereunder:

(i) at any time or from time to time, without notice to Guarantor, the time for payment of any Guaranteed Amount shall be extended, or such performance or compliance shall be waived;

(ii) the obligation to pay any Guaranteed Amount shall be modified, supplemented or amended in any respect in accordance with the terms of the PPA;

(iii) subject to Paragraph 9, any (a) sale, transfer or consolidation of Seller into or with any other entity, (b) sale of substantial assets by, or restructuring of the corporate existence of, Seller or (c) change in ownership of any membership interests of, or other ownership interests in, Seller; or

(iv) the failure by Buyer or any other Person to create, preserve, validate, perfect or protect any security interest granted to, or in favor of, Buyer or any Person.

5. Subrogation. Notwithstanding any payments that may be made hereunder by the Guarantor, Guarantor hereby agrees that until the earlier of payment in full of all Guaranteed Amounts or expiration of the Guaranty in accordance with Paragraph 3, it shall not be entitled to, nor shall it seek to, exercise any right or remedy arising by reason of its payment of any Guaranteed Amount under this Guaranty, whether by subrogation or otherwise, against Seller or seek contribution or reimbursement of such payments from Seller.

6. Representations and Warranties. Guarantor hereby represents and warrants that (a) it has all necessary and appropriate ***[limited liability company][corporate]*** powers and authority and the legal right to execute and deliver, and perform its obligations under, this Guaranty, (b) this Guaranty constitutes its legal, valid and binding obligations enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium and other similar laws affecting enforcement of creditors' rights or general principles of equity, (c) the execution, delivery and performance of this Guaranty does not and will not contravene Guarantor's organizational documents, any applicable Law or any contractual provisions binding on or affecting Guarantor, (d) there are no actions, suits or proceedings pending before any court, governmental agency or arbitrator, or, to the knowledge of the Guarantor, threatened, against or

affecting Guarantor or any of its properties or revenues which may, in any one case or in the aggregate, materially adversely affect the ability of Guarantor to enter into or perform its obligations under this Guaranty, and (e) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or Governmental Authority, and no consent of any other Person (including, any stockholder or creditor of the Guarantor), that has not heretofore been obtained is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty by Guarantor.

7. Notices. Notices under this Guaranty shall be deemed received if sent to the address specified below: (i) on the day received if served by overnight express delivery, and (ii) four Business Days after mailing if sent by certified, first class mail, return receipt requested. If transmitted by facsimile, such notice shall be deemed received when the confirmation of transmission thereof is received by the party giving the notice. Any party may change its address or facsimile to which notice is given hereunder by providing notice of the same in accordance with this Paragraph 7.

If delivered to Buyer, to it at [____]
Attn: [____]

If delivered to Guarantor, to it at [____]
Attn: [____]

8. Governing Law and Forum Selection. This Guaranty shall be governed by, and interpreted and construed in accordance with, the laws of the United States and the State of California, excluding choice of law rules. The Parties agree that any suit, action or other legal proceeding by or against any party (or its affiliates or designees) with respect to or arising out of this Guaranty shall be brought in the federal courts of the United States or the courts of the State of California sitting in the City and County of Santa Clara, California.

9. Miscellaneous. This Guaranty shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of Buyer and its successors and permitted assigns pursuant to the PPA. No provision of this Guaranty may be amended or waived except by a written instrument executed by Guarantor and Buyer. This Guaranty is not assignable by Guarantor without the prior written consent of Buyer. No provision of this Guaranty confers, nor is any provision intended to confer, upon any third party (other than Buyer's successors and permitted assigns) any benefit or right enforceable at the option of that third party. This Guaranty embodies the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements and understandings of the parties hereto, verbal or written, relating to the subject matter hereof. If any provision of this Guaranty is determined to be illegal or unenforceable (i) such provision shall be deemed restated in accordance with applicable Laws to reflect, as nearly as possible, the original intention of the parties hereto and (ii) such determination shall not affect any other provision of this Guaranty and all other provisions shall remain in full force and effect. This Guaranty may be executed in any number of separate counterparts, each of which when so executed shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Guaranty may be executed and delivered by electronic means with the same force and effect as if the same was a fully executed and delivered

original manual counterpart.

[*Signature on next page*]

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be duly executed and delivered by its duly authorized representative on the date first above written.

GUARANTOR:

[_____]

By:_____

Printed Name:_____

Title:_____

BUYER:

[_____]

By:_____

Printed Name:_____

Title:_____

By:_____

Printed Name:_____

Title:_____

EXHIBIT M

FORM OF REPLACEMENT RA NOTICE

This Replacement RA Notice (this "**Notice**") is delivered by [SELLER ENTITY] ("**Seller**") to Silicon Valley Clean Energy Authority, a California joint powers authority ("**Buyer**") in accordance with the terms of that certain Renewable Power Purchase Agreement dated _____ ("**Agreement**") by and between Seller and Buyer. All capitalized terms used in this Notice but not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

Pursuant to Section 3.8(b) of the Agreement, Seller hereby provides the below Replacement RA product information:

Unit Information[1]

Name	
Location	
CAISO Resource ID	
Unit SCID	
Prorated Percentage of Unit Factor	
Resource Type	
Point of Interconnection with the CAISO Controlled Grid ("substation or transmission line")	
Path 26 (North or South)	
LCR Area (if any)	
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment	
Run Hour Restrictions	
Delivery Period	

Month	Unit CAISO NQC (MW)	Unit Contract Quantity (MW)
January		
February		
March		
April		
May		
June		
July		
August		
September		
October		
November		
December		

[1] To be repeated for each unit if more than one.

[SELLER ENTITY]

By:_____

Its:_____

Date:_____

EXHIBIT N

NOTICES

[*SELLER ENTITY*] ("Seller")	**Silicon Valley Clean Energy Authority** ("Buyer")
All Notices: Street: 798 N 1st St City: San Jose Zip: 95112 Attn: Tianxing Wang, CEO [redacted]	**All Notices:** Street: 333 W. El Camino Real, Suite 330 City: Sunnyvale, California Zip: 94087 Attn: Monica Padilla, CEO and Kris Van Vactor, Director of Power Resources [redacted]
Reference Numbers: Duns: Federal Tax ID Number: [redacted]	**Reference Numbers:** Duns: [redacted] Federal Tax ID Number: [redacted]
Invoices: Attn: Kristina Deng Phone: [redacted] Email: [redacted]	**Invoices:** Attn: Power Supply Group Phone: [redacted] Email: [redacted]
Scheduling: Attn: Michael Mi Phone: [redacted] Email: [redacted]	**Scheduling:** Attn: Tenaska Team Email: [redacted] Attn: 24x7 Operations Desk Phone: [redacted] Email: [redacted] Attn: Adam Cochran, Manager, Operations Phone: [redacted] Email: [redacted] Attn: Paul Messmann, Senior System Operator Phone: [redacted] Email: [redacted] Outage information: [redacted] Resource testing information: [redacted]
Confirmations: Attn: Tianxing Wang, CEO Phone: [redacted] Email: [redacted]	**Confirmations:** Attn: Kris Van Vactor, Director of Power Resources Phone: [redacted] Email: [redacted]

[*SELLER ENTITY*] ("Seller")	**Silicon Valley Clean Energy Authority** ("Buyer")
Payments: Attn: Accounting Group Phone: [redacted] Email: [redacted]	**Payments:** Attn: Finance Group Phone: [redacted] Email: [redacted]
Wire Transfer: BNK: [redacted] ABA: [redacted] ACCT: [redacted]	**Wire Transfer:** BNK: River City Bank ABA: [redacted] ACCT: [redacted]
With additional Notices of an Event of Default to: Buchalter Attn: O'Hara Gwenneth Phone: [redacted] E-mail: [redacted]	**With Notices of an Event of Default to:** Michael Callahan, General Counsel Email: [redacted] **and to:** Attn: Kris Van Vactor, Director of Power Resources Email: [redacted] Attn: Amrit Singh, CFO/Director of Administrative Services Email: [redacted]
Emergency Contact: Attn: Carl Wang, CEO Phone: [redacted] E-mail: [redacted]	**Emergency Contact:** Attn: Kris Van Vactor, Director of Power Resources Phone: [redacted] Email: [redacted]

EXHIBIT O

STORAGE CAPACITY TESTS

Storage Capacity Test Notice and Frequency

A. Commercial Operation Date Storage Capacity Test. Upon no less than ten (10) Business Days prior Notice to Buyer, Seller shall schedule and complete a Storage Capacity Test prior to the Commercial Operation Date. Such initial Storage Capacity Test shall be performed in accordance with this Exhibit O and shall establish the initial Storage Contract Capacity and Efficiency Rate hereunder based on the actual capacity and efficiency rate of the Storage Facility determined by such Storage Capacity Test.

B. Subsequent Storage Capacity Tests. Following the Commercial Operation Date, but not more than once per Contract Year within the first quarter of each Contract Year, upon no less than ten (10) Business Days prior Notice to Seller, Buyer shall have the right to require Seller to schedule and complete a Storage Capacity Test. In addition, Buyer shall have the right to require a retest of the most recent Storage Capacity Test at any time upon no less than five (5) Business Days prior written Notice to Seller if Buyer provides data with such Notice reasonably indicating that the Storage Contract Capacity or Efficiency Rate has varied materially from the results of the most recent Storage Capacity Test. Seller shall have the right to perform a Storage Capacity Test or run a retest of any Storage Capacity Test at any time during any Contract Year upon five (5) Business Days' prior written Notice to Buyer (or any shorter period reasonably acceptable to Buyer consistent with Prudent Operating Practice). Notwithstanding anything herein to the contrary, any costs and revenues associated with a Storage Capacity Test, including all CAISO costs and charges associated with charging the Storage Facility and any CAISO revenues associated with discharging the Storage Facility, shall accrue to Seller.

C. Test Results and Re-Setting of Storage Contract Capacity and Efficiency Rate. No later than five (5) days following any Storage Capacity Test, Seller shall submit a testing report detailing results and findings of the test. The report shall include meter readings and plant log sheets verifying the operating conditions and output of the Storage Facility. In accordance with Section 4.9(c) of the Agreement and Part II(I) below, the actual capacity and efficiency rate determined pursuant to a Storage Capacity Test (up to, but not in excess of, the original Storage Contract Capacity set forth on the Cover Sheet, as such original Storage Contract Capacity on the Cover Sheet may have been adjusted (if at all) pursuant to Exhibit B) shall become the new Storage Contract Capacity and Efficiency Rate at the beginning of the day following the completion of the test for calculating the Storage Rate and all other purposes under this Agreement.

Storage Capacity Test Procedures

PART I. GENERAL.

Each Storage Capacity Test (including the initial Storage Capacity Test, each subsequent Storage Capacity Test, and all re-tests thereof permitted under paragraph B above) shall be conducted in accordance with Prudent Operating Practices and the provisions of this Exhibit O. For ease of reference, a Storage Capacity Test is sometimes referred to in this Exhibit O as a "**SCT**". Buyer

or its representative may be present for the SCT and may, for informational purposes only, use its own metering equipment (at Buyer's sole cost).

PART II. REQUIREMENTS APPLICABLE TO ALL STORAGE CAPACITY TESTS.

A. Purpose of Test. Each SCT shall:

(1) Determine a Storage Contract Capacity;

(2) Determine the amount of energy required to fully charge the Storage Facility;

(3) Determine the Storage Facility charge ramp rate;

(4) Determine the Storage Facility discharge ramp rate; and

(5) Determine an updated Efficiency Rate.

B. Parameters. During each SCT, the following parameters shall be measured and recorded simultaneously for the Storage Facility, at a minimum of ten (10) minute intervals:

(1) time (minutes);

(2) Charging Energy (MWh);

(3) Discharging Energy (MWh);

(4) Stored Energy Level (MWh).

C. Site Conditions. During each SCT, the following conditions at the Site shall be measured and recorded simultaneously at thirty (30) minute intervals:

(1) Relative humidity (%);

(2) Barometric pressure (inches Hg) near the horizontal centerline of the Storage Facility; and

(3) Ambient air Temperature (°F).

D. Test Elements. Each SCT shall include the following test elements:

(1) The discharging of the Storage Facility to 0% Stored Energy Level;

(2) The charging of the Storage Facility at a constant power charge rate equal to the Storage Contract Capacity as of the commencement of the Storage Capacity Test;

(3) The measurement of the time from when the charge signal is sent until the constant power charge rate is achieved (dividing the constant power charge rate by this measurement will determine the updated charging ramp rate);

(4) The measurement of Charging Energy, as measured by the Storage Facility Meter, that is required to charge the Storage Facility until a 100% Stored Energy Level is achieved;

(5) The discharging of the Storage Facility at a constant power discharge rate equal to the Storage Contract Capacity as of the commencement of the Storage Capacity Test;

(6) The measurement of the time from when the discharge signal is sent until the constant power discharge rate is achieved (dividing the constant power charge rate by this measurement will determine the updated discharging ramp rate);

(7) The measurement of Discharging Energy, as measured by the Storage Facility Meter, that is discharged from the Storage Facility to the Delivery Point until a 0% Stored Energy Level is achieved as indicated by the battery management system.

(8) The Discharging Energy divided by the Charging Energy will determine the new Efficiency Rate.

E. Test Conditions.

(1) General. At all times during a SCT, the Storage Facility shall be operated in compliance with Prudent Operating Practices and all operating protocols recommended, required or established by the manufacturer for operation.

(2) Abnormal Conditions. If abnormal operating conditions that prevent the recordation of any required parameter occur during a SCT (including a level of irradiance that does not permit the Generating Facility to produce sufficient Charging Energy), Seller may postpone or reschedule all or part of such SCT in accordance with Part II.F below.

(3) Instrumentation and Metering. Seller shall provide all instrumentation, metering and data collection equipment required to perform the SCT. The instrumentation, metering and data collection equipment electrical meters shall be calibrated in accordance with Prudent Operating Practice.

F. Incomplete Test. If any SCT is not completed in accordance herewith, Buyer may in its sole discretion: (i) accept the results up to the time the SCT stopped; (ii) require that the portion of the SCT not completed, be completed within a reasonable specified time period; or (iii) require that the SCT be entirely repeated. Notwithstanding the above, if Seller is unable to complete a SCT due to a Force Majeure Event or the actions or inactions of Buyer or the CAISO or the PTO or the

Transmission Provider, Seller shall be permitted to reconduct such SCT on dates and at times reasonably acceptable to the Parties.

G. Final Report. Within fifteen (15) Business Days after the completion of any SCT, Seller shall prepare and submit to Buyer a written report of the results of the SCT, which report shall include:

(1) a record of the personnel present during the SCT that served in an operating, testing, monitoring or other such participatory role;

(2) the measured data for each parameter set forth in Part II.A through D, as applicable, including copies of the raw data taken during the test;

(3) the current level of storage contract capacity, the amount of energy required to fully charge the battery, Charging Energy, Discharging Energy, Efficiency Rate, Maximum Charging Capacity, the current charge and discharge ramp rate, and the Maximum Stored Energy Level, each determined by the SCT, including supporting calculations; and

(4) Seller's statement of either Seller's acceptance of the SCT or Seller's rejection of the SCT results and reason(s) therefor.

Within ten (10) Business Days after receipt of such report, Buyer shall notify Seller in writing of either Buyer's acceptance of the SCT results or Buyer's rejection of the SCT and reason(s) therefor.

If either Party reasonably rejects the results of any SCT, such SCT shall be repeated in accordance with Part II.F.

H. Supplementary Storage Capacity Test Protocol. No later than sixty (60) days prior to commencing Facility construction, Seller shall deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) a supplement to this Exhibit O with additional and supplementary details, procedures and requirements applicable to Storage Capacity Tests based on the then current design of the Facility ("**Supplementary Storage Capacity Test Protocol**"). Thereafter, from time to time, Seller may deliver to Buyer for its review and approval (such approval not to be unreasonably delayed or withheld) any Seller recommended updates to the then current Supplementary Storage Capacity Test Protocol. The initial Supplementary Storage Capacity Test Protocol (and each update thereto), once approved by Buyer, shall be deemed an amendment to this Exhibit O.

I. Adjustment to Storage Contract Capacity. The total amount of Discharging Energy delivered to the Delivery Point (expressed in MWh AC) during each of the first four hours of discharge (up to, but not in excess of, the product of (i) the original Storage Contract Capacity set forth on the Cover Sheet, as such original Storage Contract Capacity on the Cover Sheet may have been adjusted (if at all) under this Agreement, multiplied by (ii) 4 hours) shall be divided by four hours to determine

the Storage Contract Capacity, which shall be expressed in MW AC, and shall be the new Storage Contract Capacity in accordance with Section 4.9(c) of the Agreement.

J. Adjustment to Efficiency Rate. The total amount of Discharging Energy divided by the total amount of Charging Energy, measured at the Storage Facility Meter location, exclusive of Station Use (for avoidance of doubt, energy that is used to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Storage Facility during periods of time when the Storage Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice is not considered Station Use), and expressed as a percentage, shall be the new Efficiency Rate in accordance with Section 4.9(c) of the Agreement.

PART III - INITIAL SUPPLEMENTARY STORAGE CAPACITY TEST PROTOCOL

A. **Initial Supplementary Storage Capacity Test Protocol**

- Procedure:

(1) System Starting State: The Storage Facility shall be balanced using OEM procedures as appropriate and will be in the on-line state at the Minimum Storage Level.

(2) Record the initial value of the Storage Facility State-of-Charge ("**SOC**").

(3) Charge the Storage Facility at the maximum charging level until the battery reaches the maximum SOC allowed at that rate. Continue charging the Storage Facility at the fixed maximum battery voltage (CV charging). Stop the Storage Facility charge routine when the battery has reached the desired SOC, not to exceed six hours of charging.

(4) Record and store the Charging Energy exclusive of Station Use (for avoidance of doubt, energy that is used to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Storage Facility during periods of time when the Storage Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice is not considered Station Use).

(5) Following an agreed-upon rest period, command a real power discharge that results in an AC power output of the Storage Facility's maximum discharging level and maintain the discharging state until the earlier of (a) the Facility has discharged at the maximum discharging level for four (4) consecutive hours, (b) the Storage Facility has reached the Minimum Storage Level, or (c) the sustained discharging level is at least 2% less than the maximum discharging level.

(6) Record and store the Discharging Energy exclusive of Station Use (for avoidance of doubt, energy that is used to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Storage Facility during periods of time when the Storage Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice is not considered Station Use). Such data point shall be used for purposes of calculation of the Storage Contract Capacity.

(7) Record and store the Discharging Energy exclusive of Station Use (for avoidance of doubt, energy that is used to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Storage Facility during periods of time when the Storage Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice is not considered Station Use). Such data point shall be used for purposes of calculation of the Efficiency Rate.

(8) If the Storage Facility has not reached the Minimum Storage Level pursuant to Part III.A.5, continue discharging the Storage Facility until it reaches the Minimum Storage Level.

(9) Record and store the Discharging Energy exclusive of Station Use (for avoidance of doubt, energy that is used to power certain lights, motors, temperature control systems, control systems and other ancillary electrical loads that are necessary for operation of the Storage Facility during periods of time when the Storage Facility is charging or discharging pursuant to a Charging Notice or Discharging Notice is not considered Station Use).

- Test Results

(1) The resulting Efficiency Rate is calculated as Discharging Energy (pursuant to Part III, A(7) or A(9), as applicable)/Charging Energy (pursuant to Part III, A(4))

(2) The resulting Storage Contract Capacity measurement is the sum of the total Discharging Energy (pursuant to Part III, A(5)) at the Storage Facility Meter divided by four (4) hours.

EXHIBIT P

STORAGE FACILITY AVAILABILITY

Monthly Storage Availability

(a) Calculation of Monthly Storage Availability. Seller shall calculate the "**Monthly Storage Availability**" in a given month using the formula set forth below:

$$\text{Monthly Storage Availability (\%)} = \frac{[\text{MNTHHRS}_m - \text{UNAVAILHRS}_m]}{[\text{MNTHHRS}_m]}$$

where:

m = relevant month "m" in which availability is calculated;

MNTHHRS_m is the total number of On-Peak Hours for the month;

UNAVAILHRS_m, is the total number of On-Peak Hours in the month during which the Storage Facility was unavailable to deliver Storage Product (as such unavailability is prorated for any Storage Contract Capacity that is available to deliver Storage Product at any given time) for any reason other than the occurrence of any of the following (each, an "**Excused Event**"): a Buyer Default, Storage Capacity Tests, System Emergencies, or the Operating Restrictions in Exhibit Q. To be clear, hours of unavailability caused by any Excused Event will not be included in UNAVAILHRS_m for such month. For avoidance of doubt, any Buyer Bid Curtailment, Buyer Curtailment Orders, or Curtailment Orders shall not result in UNAVAILHRS_m so long as the Storage Facility was either (i) otherwise available to deliver Storage Product during such Buyer Bid Curtailment, Buyer Curtailment Orders, or Curtailment Orders, or (ii) subject to an Excused Event. Any other event that results in unavailability of the Storage Facility for less than a full hour will count as an equivalent percentage of the applicable hour(s) for this calculation. Additionally, if during any applicable hour the Storage Facility is available, but for less than the full amount of the then effective Storage Contract Capacity, the UNAVAILHRS_m for such hour shall be calculated as an equivalent percentage of such hour in proportion to the amount of available Storage Contract Capacity.

If the Storage Facility or any component thereof was previously deemed unavailable for an hour or part of an hour, and Seller provides a revised Notice indicating the Storage Facility is available for that hour or part of an hour by 5:00 a.m. of the morning Buyer schedules or bids the Storage Facility in the Day-Ahead Market, the Storage Facility will be deemed to be available to the extent set forth in the revised Notice.

If the Storage Facility or any component thereof was previously deemed unavailable for an hour or part of an hour and Seller provides a revised Notice indicating the Storage Facility is available for that hour or part of an hour at least sixty (60) minutes prior to the time the Buyer is required to schedule or bid the Storage Facility in the Real-Time Market, and the Storage Facility is dispatched

in the Real-Time Market, the Storage Facility will be deemed to be available to the extent set forth in the revised Notice.

Availability Adjustment

The applicable "**Availability Adjusted Storage Contract Capacity**" is calculated by multiplying the current Storage Contract Capacity, as determined pursuant to Exhibit O, by the Availability Adjustment ("**Availability Adjustment**" or "**AA**"), which is calculated as follows:

[redacted]

EXHIBIT Q

OPERATING RESTRICTIONS

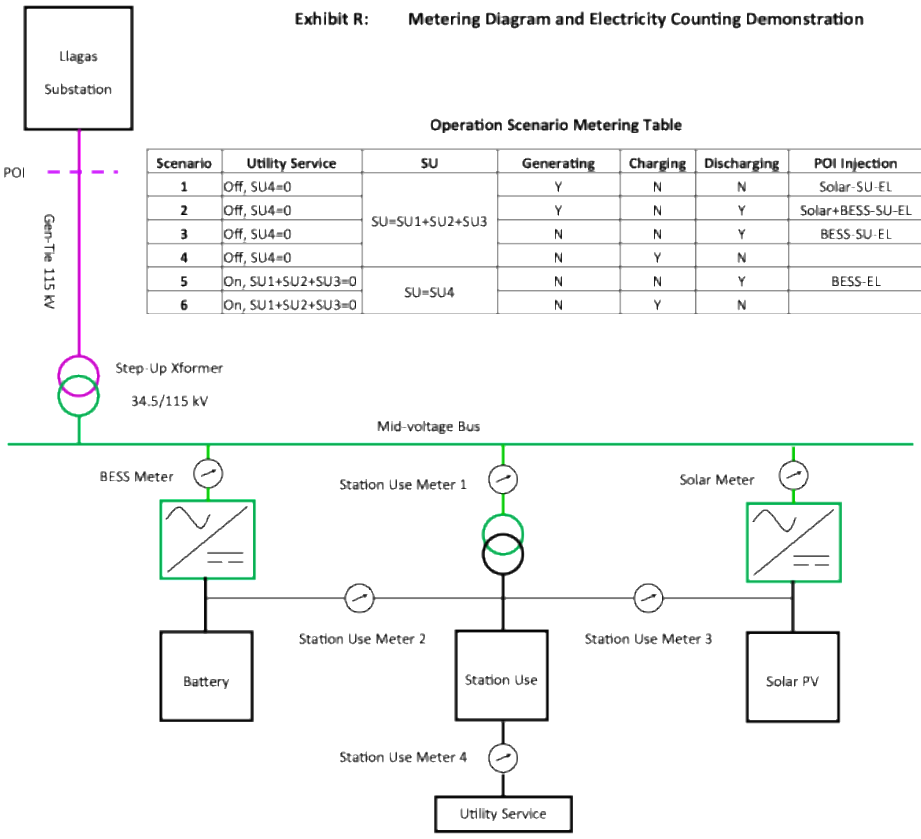
The Storage Facility shall be subject to the following Operating Restrictions:

	Description	Value	Notes
1.	Storage Facility Total Capacity	50 MW	
2.	Maximum Stored Energy Level	200 MWh (50 MW for 4 hours)	
3.	Minimum Storage Level	0 MWh	
4.	Maximum Charging Capacity	50 MW	
5.	Minimum Charging Capacity	0 MW	
6.	Maximum Discharging Capacity	50 MW	
7.	Minimum Discharging Capacity	0 MW	
8.	Maximum State of Charge (SOC) during Charging	100%	
9.	Minimum State of Charge (SOC) during Discharging	0%	
10.	Annual Average State of Charge Range (SOC)	[redacted]	Measured during each Contract Year
11.	Annual Throughput Limit	[redacted]	
12.	Daily Dispatch Limits	[redacted]	
13.	Ramp rate	[redacted]	

EXHIBIT R

METERING DIAGRAM

Exhibit R: Metering Diagram and Electricity Counting Demonstration



Operation Scenario Metering Table

Scenario	Utility Service	SU	Generating	Charging	Discharging	POI Injection	POI Withdrawal
1	Off, SU4=0	SU=SU1+SU2+SU3	Y	N	N	Solar-SU-EL	
2	Off, SU4=0		Y	N	Y	Solar+BESS-SU-EL	
3	Off, SU4=0		N	N	Y	BESS-SU-EL	
4	Off, SU4=0		N	Y	N		BESS+EL+SU
5	On, SU1+SU2+SU3=0	SU=SU4	N	N	Y	BESS-EL	
6	On, SU1+SU2+SU3=0		N	Y	N		BESS+EL

EXHIBIT S

FORM OF LIMITED ASSIGNMENT AGREEMENT

This Limited Assignment Agreement (this "**Agreement**") is entered into as of [____] (the "**Assignment Agreement Effective Date**") by and among [**PPA SELLER**], a [____] limited liability company ("**PPA Seller**"), Silicon Valley Clean Energy Authority, a joint powers authority and a community choice aggregator organized under the laws of the State of California ("**PPA Buyer**"), and Morgan Stanley Capital Group Inc., a Delaware corporation ("**MSCG**").

RECITALS

WHEREAS, PPA Buyer and PPA Seller are parties to that certain PPA identified on Appendix 1 hereto;

WHEREAS, in connection with one or more prepaid electricity transactions between Issuer and a Prepay Seller, and with effect from and including the Assignment Period Start Date, PPA Buyer wishes to transfer by limited assignment to MSCG, and MSCG wishes to accept the transfer by limited assignment of, the Assigned Rights and Obligations with respect to any and all Assignment Appendices in effect during the Assignment Period;

WHEREAS, pursuant to this Agreement, during the Assignment Period, MSCG will receive the Assigned Product specified in any and all Assignment Appendices in effect from time to time and MSCG will deliver such Assigned Product to Prepay Seller(s), which will deliver such Assigned Product to Issuer for ultimate delivery to PPA Buyer; and

WHEREAS, pursuant to this Agreement, during the Assignment Period, MSCG will assume responsibility for the Delivered Product Payment Obligation with respect to any and all Assignment Appendices then in effect.

THEREFORE, in consideration of the premises above and the mutual covenants and agreements herein set forth, PPA Seller, PPA Buyer and MSCG (the "**Parties**" hereto; each is a "**Party**") agree as follows:

AGREEMENT

1. Definitions.

Unless the context otherwise specifies or requires, or defined below, capitalized terms used but not defined in this Agreement have the meanings set forth in the PPA. The following terms, when used in this Agreement and identified by the capitalization of the first letter thereof, have the respective meanings set forth below, unless the context otherwise requires:

"**Agreement**" has the meaning specified in the first paragraph above.

"**Assigned Products**" means (i) [Facility Energy]1 and (ii) [Green Attributes (PCC1)].

"**Assigned Rights and Obligations**" means (i) the rights of PPA Buyer under the PPA to receive the Assigned Products in each Month as specified in any and all Assignment Appendices then in effect during the Assignment Period, as such rights may be limited or further described in Appendix 1, and (ii) the Delivered Product Payment Obligation, which rights and obligations are transferred and conveyed to MSCG hereunder, but which shall not relieve PPA Buyer of its obligations under the PPA in any respects.

"**Assignment Appendix**" means each Assignment Appendix in the form of Appendix 2 hereto delivered by MSCG hereunder pursuant to Section 11.

"**Assignment Appendix End Date**" has, with respect to each Assignment Appendix, the meaning specified therein.

"**Assignment Appendix Period**" means, with respect to each Assignment Appendix, the period from the Assignment Appendix Start Date to the Assignment Appendix End Date, provided that no Assignment Appendix Period may commence prior to the Assignment Period Start Date and no Assignment Appendix Period may extend beyond the Assignment Period End Date.

"**Assignment Appendix Start Date**" has, with respect to each Assignment Appendix, the meaning specified therein.

"**Assignment Early Termination Date**" has the meaning specified in Section 4(b).

"**Assignment Period**" has the meaning specified in Section 4(a).

"**Assignment Period End Date**" means 11:59:59 p.m. pacific prevailing time on the last day of the [Delivery Term] under the PPA.

"**Assignment Period Start Date**" means [____], 20[_].

"**Custodian**" has, with respect to each Assignment Appendix, the meaning specified therein.

"**Custody Agreement**" has, with respect to each Assignment Appendix, the meaning specified therein.

"**Delivered Product Payment Obligation**" has the meaning specified in Section 3(a).

"**Delivery Point**" has the meaning specified in Appendix 1.

"**Government Agency**" means the United States of America, any state thereof, any municipality, or any local jurisdiction, or any political subdivision of any of the foregoing, including, but not limited to, courts, administrative bodies, departments, commissions, boards,

1 SM NTD: Certain PPA section references and definitions are bracketed pending confirmation of such references under the applicable PPA.

bureaus, agencies, or instrumentalities.

"**Issuer**" has, with respect to each Assignment Appendix, the meaning specified therein.

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

"**Monthly Gross Amount**" has the meaning specified in Section 3(c).

"**MSCG**" has the meaning specified in the first paragraph of this Agreement.

"**Person**" means any individual, corporation, partnership, joint venture, trust, unincorporated organization, or Government Agency.

"**PPA Buyer**" has the meaning specified in the first paragraph of this Agreement.

"**PPA Seller**" has the meaning specified in the first paragraph of this Agreement.

"**Prepaid Agreement**" has, with respect to each Assignment Appendix, the meaning specified therein.

"**Prepay Power Supply Contract**" has, with respect to each Assignment Appendix, the meaning specified therein.

"**Prepay Seller**" has, with respect to each Assignment Appendix, the meaning specified therein.

"**Receivables**" has the meaning given to such term in Section 3(f).

"**Retained Rights and Obligations**" has the meaning specified in Section 3.

2. Transfer and Undertakings.

(a) PPA Buyer hereby assigns, transfers and conveys to MSCG all right, title and interest in and to the rights of PPA Buyer under the PPA to receive delivery of the Assigned Products specified in any and all Assignment Appendices then in effect during the Assignment Period. In connection with this assignment, PPA Buyer hereby delegates to MSCG the Assigned Rights and Obligations during the Assignment Period.

(b) PPA Seller hereby consents to PPA Buyer's assignment, transfer and conveyance of all right, title and interest in and to the Assigned Products specified in any and all Assignment Appendices then in effect and, subject to Section 3(a), the delegation of the Assigned Rights and Obligations to MSCG and the exercise and performance by MSCG of the Assigned Rights and Obligations during the Assignment Period.

(c) MSCG hereby accepts such assignment, transfer and conveyance of PPA Buyer's right, title and interest in and to the Assigned Products specified in any and all Assignment Appendices then in effect during the Assignment Period, PPA Buyer's delegation of the Assigned Rights and Obligations during the Assignment Period and agrees to perform any such Assigned

Rights and Obligations due from it during the Assignment Period to the extent expressly set forth in this Agreement.

3. Limited Assignment.

The Parties acknowledge and agree that (i) the Assigned Rights and Obligations include only a portion of PPA Buyer's rights and obligations under the PPA, and that all rights and obligations (including without limitation obligations with respect to payment for any [Product] not included in the Assigned Product and any other amounts owed under the PPA) arising under the PPA that are not expressly included in the Assigned Rights and Obligations shall be "**Retained Rights and Obligations**" that are retained solely by PPA Buyer, and (ii) the Retained Rights and Obligations include all rights and obligations of PPA Buyer arising during the Assignment Period except the rights and obligations expressly included in the Assigned Rights and Obligations. In this regard:

(a) **Limited to Delivered Product Payment Obligation**. MSCG's sole payment obligation hereunder will be to make the payments into the Custodial Account as described on Appendix 1 (the "**Delivered Product Payment Obligation**"). MSCG and PPA Buyer each agree to instruct the Custodian in accordance with Section 3(c) hereof to pay PPA Seller for the Assigned Products delivered during each Month of the Assignment Period on each applicable payment date under [Section ___] of the PPA for a quantity up to, but not exceeding, the Assigned Products delivered pursuant to each Assignment Appendix during each Month, at the [Renewable Rate] as set forth in the PPA. PPA Buyer shall remain responsible for any payment obligations under the PPA during the Assignment Period, and shall remain so responsible to make such payments by the times and on the terms set out in the PPA in the event that either (i) MSCG does not make the payments into the Custodial Account as described above or (ii) the Custodian does not make the payments to the PPA Seller from the Custodial Account as described above.

(b) **Retained Rights and Obligations**. Any claims arising or existing in connection with or related to the PPA, whether related to performance by PPA Seller, PPA Buyer or MSCG, and whether arising before, during or after the Assignment Period, in each case excluding the Delivered Product Payment Obligation, will be included in the Retained Rights and Obligations, and any such claim will be resolved exclusively between PPA Seller and PPA Buyer in accordance with the PPA.

(c) **Invoicing**. During the Assignment Period, PPA Seller shall continue to provide PPA Buyer a monthly invoice of amounts owing under the PPA, which invoice shall show the total amount due to PPA Seller under the PPA for such Month (the "**Monthly Gross Amount**"). Promptly following PPA Buyer's receipt of each monthly invoice from PPA Seller during the Assignment Period and, in any event, no later than seven days thereafter, PPA Buyer shall deliver (i) a copy of such monthly invoice and the related supporting data to MSCG (ii) a statement to each of MSCG and the Custodian indicating (A) the Monthly Gross Amount; (B) the Delivered Product Payment Obligation; and (C) the payment obligation associated with the Retained Rights and Obligations. PPA Buyer and MSCG covenant and agree to instruct the Custodian to pay the Monthly Gross Amount to PPA Seller on or before the applicable payment date in the PPA, *provided,* that the liability of MSCG hereunder to PPA Seller is limited as described on Appendix 1. PPA Buyer and MSCG may agree in a separate writing as to the allocation of the Monthly

Gross Amount between PPA Buyer and MSCG of amounts paid by the Custodian to PPA Seller hereunder. At all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA.

(d) **Scheduling**. All scheduling of Assigned Product and other communications related to the PPA shall take place between PPA Buyer and PPA Seller pursuant to the terms of the PPA; provided that during the Assignment Period (i) title to Assigned Products specified in any and all Assignment Appendices then in effect will pass to MSCG upon delivery by PPA Seller at the Delivery Point in accordance with the PPA; (ii) immediately thereafter, title to such Assigned Product will pass to one or more Prepay Sellers (as set forth in the Assignment Appendices), Issuer (as set forth in the Assignment Appendices) and then to PPA Buyer upon delivery by MSCG at the same point where title is passed to MSCG pursuant to clause (i) above; (iii) PPA Buyer will be deemed to be acting as MSCG's agent with regard to scheduling Assigned Products; and (iv) PPA Buyer will provide copies to MSCG of (A) any notice of a [Force Majeure Event] delivered under the PPA, (B) any notice of a default or of a breach or other event that, if not cured within an applicable grace period, could result in an [Event of Default], (C) annual forecasts and monthly forecasts with respect to the Assigned Products delivered by PPA Seller under [Sections ____] and [___] of the PPA, (D) invoices delivered by PPA Seller under [Section ___] of the PPA (with a copy to the Custodian if and to the extent retained by PPA Buyer and MSCG), and (E) any other information reasonably requested by MSCG relating to Assigned Products.

(e) **Amendments**. PPA Buyer will provide written notice (including copies thereof) of any amendment, waiver, supplement, modification, or other changes to the PPA to MSCG relating to the Assigned Rights and Obligations, and the Parties hereby acknowledge and agree that an amendment, waiver, supplement, modification or other change will not have any effect on MSCG's rights or obligations under this Agreement until and unless MSCG receives written notice thereof.

(f) **Setoff of Receivables**. Pursuant to the Prepaid Agreement(s), Prepay Seller(s) has agreed to purchase the rights to payment of the net amounts owed by PPA Buyer under the applicable Prepay Power Supply Contract ("**Receivables**") in the case of non-payment by PPA Buyer. To the extent any such Receivables relate to Assigned Products purchased by MSCG pursuant to the Assigned Rights and Obligations, the applicable Prepay Seller may sell such Receivables to MSCG and MSCG may transfer such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) to PPA Seller and apply the face amount of such Receivables (excluding any penalties, late payment fees, late payment interest or other fees, costs or interest included in such Receivables) as a reduction to any Delivered Product Payment Obligations; provided, however, that (1) at no time shall PPA Seller be required to pay MSCG for any amounts by which such Receivables exceed any Delivered Product Payment Obligations, and (2) at all times, PPA Buyer remains liable to PPA Seller for all amounts due and owing under the PPA including the Monthly Gross Amount under each invoice.

4. Assignment Period; Assignment Early Termination.

(a) **Assignment Period**. The "**Assignment Period**" shall begin on the Assignment Period Start Date and extend until the Assignment Period End Date; provided that in no event shall the Assignment Period extend past an Assignment Early Termination Date; and further provided that the Assignment Period will automatically terminate upon the expiration or early termination of either the [Delivery Term] or the PPA.

(b) **Early Termination**. An "**Assignment Early Termination Date**" will occur under the following circumstances and as of the dates specified below:

i. delivery of a written notice of termination by either MSCG or PPA Buyer to each of the other Parties hereto;

ii. delivery of a written notice of termination by PPA Seller to each of MSCG and PPA Buyer following MSCG's failure to pay when due any amounts owed to PPA Seller in respect of any Delivered Product Payment Obligation and such failure continues for three (3) [Business Days] following receipt by MSCG of written notice thereof;

iii. delivery of a written notice by PPA Seller if any of the events described in [Section ___], definition of ["Bankrupt"] of the PPA, occurs with respect to MSCG; or

iv. delivery of a written notice by MSCG if any of the events described in [Section __], definition of ["Bankrupt"] of the PPA, occurs with respect to PPA Seller.

(c) **Reversion of Assigned Rights and Obligations**. The Assignment Period will end at the end of the last delivery hour on the date specified in the termination notice provided pursuant to Section 4(b). The Parties acknowledge and agree that upon the occurrence of an Assignment Early Termination Date and at the expiration of the Assignment Period the Assigned Rights and Obligations will revert from MSCG to PPA Buyer. Any Assigned Rights and Obligations that would become due for payment or performance on or after such Assignment Early Termination Date shall immediately and automatically revert from MSCG to PPA Buyer, provided that (i) MSCG shall remain responsible for the Delivered Product Payment Obligation with respect to any Assigned Product delivered to MSCG prior to the Assignment Early Termination Date or prior to the expiration of the Assignment Period, and (ii) any legal restrictions on the effectiveness of such reversion (whether arising under bankruptcy law or otherwise) shall not affect the occurrence of the Assignment Early Termination Date or the expiration of the Assignment Period.

5. Representations and Warranties.

(a) **Copy of PPA**. As of the Assignment Agreement Effective Date, PPA Seller and PPA Buyer represent and warrant to MSCG that a true, complete, and correct copy of the PPA as of such date is attached hereto as Appendix 4.

(b) **No Default**. As of the Assignment Agreement Effective Date, PPA Seller and PPA Buyer represent and warrant to MSCG that no event or circumstance exists (or would exist with the passage of time or the giving of notice) that would give either of them the right to terminate the PPA or suspend performance thereunder.

(c) **Representations**. Each Party represents to each of the other Parties as of the Assignment Agreement Effective Date:

i. **Status**. It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing.

ii. **Powers**. It has the power to execute, deliver and to perform its obligations under this Agreement and has taken all necessary action to authorize such execution, delivery and performance.

iii. **No Violation or Conflict**. Such execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the incurrence by such Party of its obligations under this Agreement, will not result in any violation of, or conflict with: (i) any term of any material contract or agreement applicable to it; (ii) any of its charter, bylaws, or other constitutional documents; (iii) any determination or award of any arbitrator applicable to it; or (iv) any license, permit, franchise, judgment, writ, injunction or regulation, decree, order, charter, law, ordinance, rule or regulation of any Government Agency presently in effect, applicable to it or any of its assets or properties or to any obligations incurred by it or by which it or any of its assets or properties or obligations are bound or affected, and shall not cause a breach of, or default under, any such term or result in the creation of any lien upon any of its properties or assets.

iv. **Consents**. All consents, approvals, orders or authorizations of, registrations, declarations, filings or giving of notice to, obtaining of any licenses or permits from, or taking of any other action with respect to, any Person or Government Agency that are required to have been obtained by such Party with respect to this Agreement and the transactions contemplated hereby, including the due authorization of such Party and its governing body and any approval or consent of any security holder of such Party or any holder (or any trustee for any holder) of any indebtedness or other obligation of such Party, have been obtained and are in full force and effect and all conditions of any such consents have been complied with.

v. **Obligations Binding**. Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

vi. **Non-Reliance**. It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other Parties as investment advice or as a recommendation to enter into this

Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. It is entering into this Agreement as a bona-fide, arm's-length transaction involving the mutual exchange of consideration and, once executed by all Parties, considers this Agreement a legally enforceable contract. No communication (written or oral) received from any of the other Parties shall be deemed to be an assurance or guarantee as to the expected results of this Agreement.

vii. **Assessment and Understanding**. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

viii. **Status of Parties**. None of the other Parties is acting as a fiduciary for or an adviser to it in respect of this Agreement.

6. Miscellaneous.

Article [__] (Confidential Information), [__] (Amendments), [__] (No Agency, Partnership, Joint Venture or Lease), Sections [__] (Severability), [__] (Electronic Delivery), [__] (Counterparts), Section [__] (Binding Effect) and [__] (Forward Contract) of the PPA are incorporated by reference into this Agreement, *mutatis mutandis*, as if fully set forth herein. For avoidance of doubt, and notwithstanding anything to the contrary in this Agreement: (i) nothing in this Agreement shall modify any provision of the PPA; (ii) PPA Buyer remains obligated to perform all its obligations under the PPA notwithstanding the limited assignment under this Agreement (including without limitation any such obligations not timely performed by MSCG under this Agreement) and any failure by MSCG to make payments to PPA Seller when due under the PPA shall be a [Buyer Event of Default] under the PPA if not cured within the applicable cure period specified in Section [__] of the PPA; (iii) this Agreement shall not purport to convey or otherwise allege any right of PPA Buyer or MSCG to make any prepayment to PPA Seller under the PPA or to file or impose any lien on the [Facility]; and (iv) neither MSCG nor PPA Buyer shall make any assignment of its rights or delegation of its obligations under this Agreement without the prior written consent of PPA Seller, which it may withhold in its sole discretion.

7. Costs and Expenses.

The Parties shall each pay their own costs and expenses (including legal fees) incurred in connection with this Agreement and as a result of the negotiation, preparation, and execution of this Agreement.

8. Notices.

Any notice, demand, statement or request required or authorized by this Agreement to be given by one Party to another shall be in writing, except as otherwise expressly provided herein. It shall be sent by email transmission, courier, or personal delivery (including overnight delivery service) to each of the notice recipients and addresses for each of the other Parties designated in Appendix 3

hereto. Any such notice, demand, or request shall be deemed to be given (i) when sent by email transmission, or (ii) when actually received if delivered by courier or personal delivery (including overnight delivery service). Each Party shall have the right, upon 10 days' prior written notice to the other Parties, to change its address at any time, and to designate that copies of all such notices be directed to another Person at another address. The Parties may mutually agree in writing at any time to deliver notices, demands or requests through alternate or additional methods. Notwithstanding the foregoing, any Party may at any time notify the other Parties that any notice, demand, statement or request to it must be provided by email transmission for a specified period of time or until further notice, and any communications delivered by means other than email transmission during such time shall be ineffective.

9. Governing Law, Arbitration, Judicial Reference.

(a) **Governing Law**. This Agreement and the rights and duties of the Parties under this Agreement will be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without reference to any conflicts of laws provisions that would direct the application of another jurisdiction's laws; *provided*, however, that the authority of PPA Buyer to enter into and perform its obligations under this Agreement shall be determined in accordance with the laws of the State of California.

(b) **Arbitration**. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope of this Agreement to arbitrate, shall be determined by final, non-appealable binding arbitration in San Francisco, California before three (3) arbitrators. The arbitration shall be administered by Judicial Arbitration and Mediation Services, Inc. ("**JAMS**") pursuant to its Comprehensive Arbitration Rules and Procedures. Within fifteen (15) days after the commencement of arbitration, each of MSCG and PPA Buyer shall select one person to act as arbitrator, and the two so-selected arbitrators shall select a third arbitrator (the "**chairperson**") within thirty (30) days of the commencement of the arbitration. If either MSCG or PPA Buyer is unable or fails to select one person to act as arbitrator, such arbitrator shall be appointed by JAMS. If the MSCG and PPA Buyer-selected arbitrators are unable or fail to agree upon a chairperson, the chairperson shall be appointed by JAMS. The chairperson shall be a person who has experience in renewable energy-related transactions, and none of the arbitrators shall have been previously employed by any Party or have any direct pecuniary interest in any Party or the subject matter of the arbitration, unless such conflict is expressly acknowledged and waived in writing by all of the Parties. The Parties shall maintain the confidential nature of the arbitration proceeding and any award, including any hearing(s), except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. Any arbitration proceedings, decision or award rendered hereunder and the validity, effect and interpretation of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator(s) shall have no authority to award consequential, treble, exemplary, or punitive damages of any type or kind regardless of whether such damages may be available under any law or right, with the Parties hereby affirmatively waiving their rights, if any, to recover or claim such damages. The responsibility for compensation and expenses of the three arbitrators and all other expenses charged by JAMS shall be equally split in one-third

(1/3) shares by each of MSCG, PPA Buyer, and PPA Seller. In any arbitration arising out of or related to this Agreement, the arbitrators shall award to the prevailing Party or Parties, if any, the costs and attorney's fees reasonably incurred in seeking to enforce the application of this Section 9(b) and by the prevailing party in connection with the arbitration. Notwithstanding the foregoing provisions of this Section 9(b), any costs incurred by a Party in seeking judicial enforcement of any written decision of the arbitrators shall be chargeable to and borne exclusively by the Party against whom such court order is obtained. The award shall be final and binding on the Parties and judgment upon any award may be entered in any court of competent jurisdiction.

(c) **Judicial Reference.** Without limiting the provisions in Section 9(b), if Section 9(b) is deemed ineffective or unenforceable in any respect, any dispute between the Parties arising out of or in connection with this Agreement or its performance, breach, or termination (including the existence, validity and interpretation of this Agreement and the applicability of any statute of limitation period) (each, a "**Dispute**") shall be resolved by a reference proceeding in California in accordance with the provisions of Sections 638 et seq. of the California Code of Civil Procedure ("**CCP**"), or their successor sections (a "**Reference Proceeding**"), which shall constitute the exclusive remedy for the resolution of any Dispute. As a condition precedent to initiating a Reference Proceeding with respect to any Dispute, the Parties shall comply with the provisions of Section 9(c)i.

i. Notice of Dispute. Prior to initiating the Reference Proceeding, a Party (the "**Disputing Party**") shall provide the other Parties (the "**Responding Parties**") with a written notice of each issue in dispute, a proposed means for resolving each such issue, and support for such position (the "**Notice of Dispute**"). Within 10 days after receiving the Notice of Dispute, the Responding Parties shall provide the Disputing Party with a written notice of each additional issue (if any) with respect to the dispute raised by the Notice of Dispute, a proposed means for resolving every issue in dispute, and support for such position (the "**Dispute Response**"). Thereafter, the Parties shall meet to discuss the matter and attempt in good faith to reach a negotiated resolution of the dispute. If the Parties do not resolve the dispute by unanimous agreement within fifteen (15) days after receipt of the Dispute Response, (the "**Negotiation Period**"), then any Party may provide to the other Parties written notice of intent for judicial reference (the "**Impasse Notice**") in accordance with the further provisions of this Section 9.

ii. Applicability; Selection of Referees. Within 10 days of the delivery of an Impasse Notice, each of MSCG and PPA Buyer shall nominate one (1) referee. The two (2) referees (the "**Party-Appointed Referees**") shall appoint a third referee (the "**Third Referee**", together with the Party-Appointed Referees, the "**Referees**"). The Party-Appointed Referees shall be competent and experienced in matters involving the electric energy business in the United States, with at least ten (10) years of electric industry experience as a practicing attorney. The Third Referee shall be an active or retired California state or federal judge. Each of the Party-Appointed Referees and the Third Referee shall be impartial and independent of each of the Parties and of the other referees and not employed by any of the Parties in any prior matter.

iii. Inability to Agree upon Third Referee. If the Party-Appointed Referees are unable to agree on the Third Referee within 45 days from delivery of the Impasse Notice, then the Third Referee shall be appointed pursuant to CCP Section 640(b) in an action filed in the Superior Court of California, County of San Francisco (the "**Court**"), and with due regard given to the selection criteria above. A request for appointment of a referee may be heard on an ex parte or expedited basis, and the Parties agree that irreparable harm would result if ex parte relief is not granted. Pursuant to CCP Section 170.6, each of PPA Buyer and MSCG shall have one (1) peremptory challenge to the referee selected by the Court.

iv. Discovery; Proceedings.

(A) The Parties agree that time is of the essence in conducting the Reference Proceeding. Accordingly, the Referees shall be requested, subject to change in the time periods specified herein for good cause shown, to (i) set the matter for a status and trial-setting conference within 20 days after the date of selection of the Third Referee, (ii) if practicable, try all issues of law or fact within 180 days after the date of the conference, and (iii) report a statement of decision within 20 days after the matter has been submitted for decision.

(B) Discovery and other pre-hearing procedures shall be conducted as agreed to by the Parties, or if they cannot agree, as determined by the Third Referee after discussion with the Parties regarding the need for discovery and other pre-hearing procedures.

(C) Except as expressly set forth herein, the Third Referee shall determine the manner in which the Reference Proceeding is conducted, including the time and place of hearings, the order of presentation of evidence, and all other questions that arise with respect to the course of the Reference Proceeding. The Reference Proceeding, including the trial, shall be conducted at a neutral location selected by the Parties, or if not agreed by the Parties, by the Third Referee, in San Francisco, California.

(D) All proceedings and hearings conducted before the Referees, except for trial, shall be conducted without a court reporter, except that when any Party so requests, a court reporter will be used at any hearing conducted before the Referees, and the Referees will be provided a courtesy copy of the transcript. The Party making such a request shall have the obligation to arrange for and pay the court reporter.

v. Decision. The Referees shall render a written statement of decision setting forth findings of fact and conclusions of law. The decision shall be entered as a judgment in the court in accordance with the provisions of CCP Sections 644 and 645. The decision shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the Court. The Parties intend this general reference agreement to be specifically enforceable in accordance with the CCP.

(d) Expenses. Each of MSCG, PPA Seller and PPA Buyer shall bear the compensation and expenses of its respective own counsel, witnesses, consultants and employees. The responsibility for compensation and expenses of the Referees and all other expenses of judicial reference shall be equally split in one-third (1/3) shares by each of MSCG, PPA Buyer, and PPA Seller.

10. U.S. Resolution Stay. The Parties hereby confirm that they are adherents to the ISDA 2018 U.S. Resolution Stay Protocol ("**ISDA U.S. Stay Protocol**"), the terms of the ISDA U.S. Stay Protocol are incorporated into and form a part of this Agreement, and this Agreement shall be deemed a Protocol Covered Agreement for purposes thereof. For purposes of incorporating the ISDA U.S. Stay Protocol, MSCG shall be deemed to be a Regulated Entity, and PPA Buyer and PPA Seller each shall be deemed to be an Adhering Party. In the event of any inconsistences between this Agreement and the ISDA U.S. Stay Protocol, the ISDA U.S. Stay Protocol will prevail.

11. Assignment Appendix Prepaid Transaction Details. From time to time, MSCG may deliver one or more completed Assignment Appendices to the other Parties hereto completing the terms that are currently bracketed therein, and each such Assignment Appendix shall be binding upon each of the Parties hereto, provided that the aggregate sum of the Assigned Products under all Assignment Appendices then in effect will not exceed the nameplate capacity of the [Facility]. As set forth in Appendix 1 hereto, MSCG's payment obligations are limited to the Assigned Product delivered pursuant to the Assignment Appendices then in effect. Each Assignment Appendix sets forth certain details relating to the commodity prepayment transaction pursuant to which all or a portion of the Assigned Products shall be delivered, provided that MSCG may, by written notice to PPA Seller and PPA Buyer, at any time and without the consent of PPA Seller or PPA Buyer, (i) rescind any Assignment Appendix or (ii) update or amend any Assignment Appendix to change any or all of the terms specified therein, including: an increase or decrease of the volume of Assigned Products to be delivered into the applicable commodity prepayment transaction (including without limitation a change thereto to reflect that all MWh of Assigned Product delivered in accordance with the PPA by PPA Seller shall be delivered into one commodity prepayment transaction, subject only the aggregate quantity limit specified above); a change in the relevant commodity prepayment transaction (i.e., the "Prepaid Agreement") pursuant to which the Assigned Products shall be delivered; a change in the identity of the Prepay Seller; or a change to the Assignment Appendix Start Date and / or the Assignment Appendix End Date. For the avoidance of doubt, (I) more than one Assignment Appendix may be in effect at any time, and (II) at any given time, less than one hundred percent (100%) of the nameplate capacity of the [Facility] may be assigned pursuant to the Assignment Appendices then in effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first set forth above.

[PPA SELLER]

By: _____
Name:_____
Title:_____

SILICON VALLEY CLEAN ENERGY AUTHORITY

By: _____
Name:_____
Title:_____

MORGAN STANLEY CAPITAL GROUP INC.

By: _____
Name:_____
Title:_____

Appendix 1
Assigned Rights and Obligations

PPA: [Renewable Power Purchase Agreement] dated as of [____], by and between PPA Buyer and PPA Seller, as may be amended from time to time.

Delivery Point: [Facility PNode] (as defined in the PPA)

Further Information: PPA Seller shall transfer or, to the extent applicable, continue to transfer, to PPA Buyer the [WREGIS Certificates] associated with all [Renewable Energy Credits] corresponding to all [PV Energy] under the PPA pursuant to Section [___] of the PPA, provided that the transferee of such [WREGIS Certificates] may be changed from time to time in accordance with the written instructions of both MSCG and PPA Buyer upon fifteen (15) Business Days' notice, which change shall be effective as of the first day of the next calendar month after such notice period has expired, unless otherwise agreed. Terms with initial capitalization used in this paragraph but not otherwise defined in this Agreement have the meaning set forth in the PPA. All Assigned Product delivered by PPA Seller to MSCG shall be a sale made at wholesale, with MSCG reselling all such Assigned Product.

Limitation of MSCG Liability. MSCG has separately agreed with the PPA Buyer and the Custodian pursuant to the Custody Agreement to pay into the custodial account specified in the Custody Agreement (the "**Custodial Account**") for Assigned Product delivered to the Delivery Point during each Month of the Assignment Period pursuant to all Assignment Appendices then in effect at the "Day-Ahead Average Price" as defined below ("**Floating Price Payments**"). MSCG agrees for the benefit of the PPA Seller to pay the Floating Price Payments into the Custodial Account, and MSCG's payment obligations under this Agreement are limited to making such payments into the Custodial Account, for application as provided in the Custody Agreement. PPA Buyer and PPA Seller each acknowledge and agree that the making of Floating Price Payments into the Custodial Account by MSCG shall not entitle (i) PPA Seller to payments in excess of the [Renewable Rate] for Assigned Product delivered hereunder or (ii) PPA Buyer to pay less than the [Renewable Rate] for Assigned Product delivered hereunder. PPA Buyer and MSCG each acknowledge and agree that the making of Floating Price Payments into the Custodial Account by MSCG shall not entitle (i) MSCG to any payments from PPA Seller or (ii) affect the Custodian's obligation to pay the Monthly Gross Amount to PPA Seller on or before the applicable payment date in the PPA. At all times the PPA Buyer shall remain obligated for the payment of all amounts owing under the terms of the PPA including the Monthly Gross Amount under each invoice. For the avoidance of doubt, MSCG's obligations hereunder are limited to only the Assignment Appendices then in effect.

"Day-Ahead Average Price" means (x) the sum of the Day-Ahead Market Prices for each Pricing Interval in a Month divided by (y) the number of Pricing Intervals in such Month. As used in this definition, "Pricing Interval" means the unit of time for which CAISO establishes a separate price. As used in this definition "Day-Ahead Market Price" means the Day Ahead Market or Locational Marginal Price for NP15 EZ GEN HUB for each applicable hour as published by CAISO, or as such price may be corrected or revised from time to time by CAISO in accordance with its rules. For the avoidance of doubt, the Day-Ahead Average Price can be a negative number.

Appendix 2

Assignment Appendix – [A][B][C]2

Date: [--]

Assigned Products subject to this Assignment Appendix: [•] percent of Assigned Products delivered to the Delivery Point.

"**Assignment Appendix End Date**" means 11:59:59 p.m. pacific prevailing time on [_____].

"**Assignment Appendix Start Date**" means [_____].

"**Custodian**" means The Bank of New York Mellon Trust Company, N.A..

"**Custody Agreement**" means the Consolidated, Amended and Restated Custodial Agreement dated as of July 1, 2024, among the Issuer, the PPA Buyer, MSCG, the Prepay Seller and the Custodian.

"**Issuer**" means California Community Choice Financing Authority, a joint powers authority and a public entity of the State of California established pursuant to the provisions of the Joint Exercise of Powers Act (Article 1, Chapter 5, Division 7, Title 1, Section 6500 et seq. of the California Government Code, as amended).

"**Prepaid Agreement**" means that certain Prepaid Energy Sales Agreement, dated as of [_____], by and between Prepay Seller and Issuer.

"**Prepay Power Supply Contract**" means that certain Power Supply Contract, dated as of [_____], by and between PPA Buyer and Issuer.

"**Prepay Seller**" means [Morgan Stanley Energy Structuring, L.L.C., a Delaware limited liability company], or any other Person that is the prepay seller under the terms of the Prepaid Agreement from time to time.

2 Each Assignment Appendix to be specifically lettered and dated.

Appendix 3

Notice Information

IF TO PPA SELLER: **As set forth in the PPA**

IF TO MSCG: **Morgan Stanley Capital Group Inc.**
[redacted]
[redacted]
Email: [redacted]

IF TO PPA BUYER: **As set forth in the PPA**

Appendix 4

Copy of Power Purchase Agreement

[To be attached.]

SILICON VALLEY CLEAN ENERGY

Staff Report – Item 5

Item 5:	**2023 Community-Wide Greenhouse Gas Emissions Update**
From:	Monica Padilla, CEO
Prepared by:	Justin Zagunis, Director of Decarbonization Programs and Policy Rebecca Fang, Manager of Data and Analytics Colleen McCamy, Associate Data Scientist
Date:	10/9/2024

RECOMMENDATION

No action required. The Silicon Valley Clean Energy (SVCE) Board of Directors (Board) is receiving an update on the 2023 Greenhouse Gas (GHG) Inventory results.

BACKGROUND

The SVCE GHG Inventory was developed to track and report annual community-wide transportation and energy-related emissions. This work is critical to build an understanding of how the region is doing against emissions reduction targets identified for the area by SVCE and statewide goals. The inventory tool was designed by a third-party, DNV GL, in accordance with the U.S. Community Protocol for Accounting and Reporting Greenhouse Gas Emissions. The inventory provides a snapshot of annual community emissions from 2017-2023, using 2015 as the baseline year for comparisons.

The first year SVCE published the inventory was 2018 reporting on the GHG inventory for 2017. Over the years, the inputs have been revised and adjusted based on model updates and new best practices such as adjusting for impacts due to COVID shelter-in-place and including the latest regional transportation trends.

The inventory is also used by SVCE's member agencies to complete their own emissions inventories for local Climate Action Plans and tracking of climate goals.

Last year, staff also provided emissions on a city-by-city basis to offer more granularity to the community on local trends. This information will be updated to include 2023 data after this item is received by the Board and will be available at: https://svcleanenergy.org/research-analysis/#emissions-reporting

ANALYSIS & DISCUSSION

An analysis of 2023 GHG emissions has been completed by staff. Slides summarizing the findings will be presented at the October 9, 2024 Board of Directors meeting. In addition to the presentation, additional information regarding the 2023 analysis is provided below.

The 2023 energy- and transportation-related emissions for the SVCE service territory was 2.92 million MT CO_2e. The analysis shows that 2023 emissions are 27% lower than the 2015 base year's emissions. Changes in 2023 electricity emissions factors, vehicle efficiency, electric vehicle adoption, and an update to the methodology to calculate offroad transportation emissions have contributed to this 27% reduction in emissions. The offroad methodology update is part of a larger effort by staff to update SVCE's GHG models and methods to provide more robust GHG modeling capabilities to track emissions trends more closely as SVCE continues to help the community decarbonize.

Additional analysis and discussion will be addressed during the presentation to the Board.

STRATEGIC PLAN

The GHG Inventory supports SVCE's 2024-2025 Strategic Plan Goal 9 of implementing industry best practices to enable data-driven decision making across the organization; enhance systems, standards and procedures to streamline business processes and improve operational effectiveness and reliability (aka SVCE 3.0). Conducting the GHG Inventory allows for a greater understanding of where community emissions are in the context of GHG reduction targets and enables enhanced data-driven decisions for programs and policies.

ALTERNATIVE

Staff does not propose an alternative for this item.

FISCAL IMPACT

There is no fiscal impact associated with this item.

SILICON VALLEY CLEAN ENERGY

Silicon Valley Clean Energy
Board of Directors Meeting

October 9, 2024

Appendix A

Power Resource Contracts Executed by CEO

Docusign Envelope ID: 2EDC2FE5-FC96-43C0-851A-336F16B24777
Docusign Envelope ID: C39D4B06-F7BE-4D8D-A65B-A85B3AA6463B

Powerex

CONFIRMATION BETWEEN

Powerex Corp. and Silicon Valley Clean Energy Authority

Powerex Deal No. KIZ060/KIZ061/KIZ067

This confirmation letter ("**Confirmation**") confirms the Transaction entered into on the Effective Date between Powerex Corp. ("**Seller**" or "**Powerex**") and Silicon Valley Clean Energy Authority, a California joint powers authority ("**Purchaser**" or "**SVCEA**") regarding the sale and purchase of the Product in accordance with the EEI Master Power Purchase and Sale Agreement dated as of November 28, 2016, together with any and all exhibits, schedules or supplements thereto or incorporated therein by reference, each in force and effect from time to time between the Parties (collectively, the "**Master Agreement**") as amended and supplemented by this Confirmation under the following terms and conditions. Consistent with Section 2.2 of the Master Agreement, this Confirmation, together with all other transactions and confirmations between the Parties and the Master Agreement, form a single integrated agreement and are not separate contracts. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement. Purchaser and Seller are each referred to as a "**Party**" and collectively, the "**Parties**".

Seller: Powerex

Purchaser: SVCEA

Transaction: This Transaction is for Seller to sell and deliver and Purchaser to purchase and receive the Contract Quantity of Carbon Free Firm Energy at the Delivery Point each Delivery Hour during each of the Delivery Months in the Delivery Term, all as specified below and in accordance with the terms and conditions set forth in this Confirmation.

Product: WSPP Agreement Schedule C Firm Energy delivered from the Carbon Free Source ("**Carbon Free Firm Energy**"). The Product cannot be curtailed by Seller or Purchaser for economic reasons.

Carbon Free Source: As defined in Schedule "A" hereto.

Delivery Term: [redacted]

Delivery Months: [redacted].

Delivery Hours: [redacted].

Contract Quantity: [redacted]

Delivery Point: [redacted]

Contract Price: The Contract Price consists of the following components, (i) a monthly fixed price payable for each Delivery Month of the Delivery Term ("**Monthly Capacity Price**") and (ii) a price payable for each MWh of Carbon Free Firm Energy delivered to Purchaser ("**Hourly Energy Price**"), each as set forth below:

Docusign Envelope ID: 2EDC2FE5-FC96-43C0-851A-336F16B24777

Docusign Envelope ID: C39D4B06-F7BE-4D8D-A65B-A85B3AA6463B

Monthly Capacity Price: [redacted], representing the [redacted] price for the forward capacity commitment supporting energy delivery from the BC Hydro System converted to $/MWh across all Delivery Hours in the Delivery Term, multiplied by total MWh of Carbon Free Firm Energy to be delivered in the Delivery Month (*i.e.*, the Contract Quantity of Carbon Free Firm Energy in all Delivery Hours in the Delivery Month).

Hourly Energy Price: [redacted] ("**Energy Price**") plus [redacted] ("**Carbon Free Price**") for each MWh of Carbon Free Firm Energy delivered to Purchaser.

The Monthly Capacity Price will be due and payable on the entire Contract Quantity of Carbon Free Firm Energy each Delivery Hour. The Hourly Energy Price will be due and payable only on the quantity of energy delivered to the Delivery Point in each hour. Notwithstanding and without limiting Section 4.2 of the Master Agreement, in determining the Sales Price there will be no obligation or requirement to attribute or include a value attributable to the capacity or the carbon free attributes.

Transmission and Agreed Transmission Path:

Under this Confirmation and pursuant to Section 10 of the WSPP Agreement, the Parties agree that the transmission path for deliveries to the Delivery Point is BC.US.BORDER to John Day (JOHNDAY) to COB (MALIN500) (the "**Agreed Transmission Path**"). In the event the Parties agree to an alternate delivery point without specifying a transmission path or Seller delivers Carbon Free Firm Energy from an alternative source as permitted hereby, the Agreed Transmission Path will be the path from BC.US.BORDER or alternate source(s) to the Delivery Point or alternate delivery point, as applicable, as e-tagged by Seller.

For the purposes of Section 10 of the WSPP Agreement, "firm transmission" means Firm Transmission (as defined herein).

Seller Transmission:

Seller will schedule and deliver Carbon Free Firm Energy from BC.US.BORDER to the Delivery Point using Firm Transmission. In the event Seller is unable to meet the priority requirements specified above due to transmission de-rates, curtailments outages affecting its conforming transmission service, or other action by the applicable transmission provider affecting the availability of Seller's rights, Seller may use lesser priority transmission service on an interim basis, as necessary.

Purchaser Transmission:

For the purposes of scheduling and receiving Carbon Free Firm Energy at and from the Delivery Point, prior to the Preschedule Deadline Purchaser will provide Seller with transmission specifications for receipt of energy at and from the Delivery Point for all days being prescheduled, and such transmission service will either be Firm Transmission or Network transmission service (NERC Transmission Service Reservation Priority 6 or 7). In the event Purchaser is unable to meet the priority requirements specified above due to transmission de-rates, curtailments outages affecting its conforming transmission service, or other action by the applicable transmission provider affecting the availability of Purchaser's

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transmission rights, Purchaser may use lesser priority transmission service on an interim basis, as necessary.

Special Conditions

1. **Definitions**. In this Confirmation:

"[redacted].

"**Applicable Law**" means all laws, statutes, rules, regulations, ordinances, codes, treaties, judgments, judicial precedent, orders, decrees, or pronouncements of a Governmental Authority having the effect of law or regulation and applicable to a Party hereto, the performance by a Party of its obligations hereunder or the subject matter of this Confirmation.

"**Balancing Authority**" and "**Balancing Authority Area**" have the meanings ascribed thereto in the Glossary of Terms Used in NERC Reliability Standards (NERC Glossary), as updated December 1, 2023.

"**BC Hydro System**" means the integrated and coordinated system of generating resources owned or contracted for by British Columbia Hydro and Power Authority ("**BC Hydro**").

"**Buyer**", as used in the Master Agreement, means Purchaser.

"**CAISO NP 15 LMP Index**" means, for any day of delivery of the Product, the day-ahead hourly Locational Marginal Price ("**LMP**") (as defined in the CAISO Tariff) at TH_NP15_GEN-APND (or any successor Aggregated Pricing Node (as defined in the CAISO Tariff) for NP 15) ("**NP 15 Trading Hub**") for the applicable hours of delivery as published by the CAISO. In the event the CAISO fails to publish the LMP for the NP 15 Trading Hub, such failure shall be addressed by the Parties in a manner consistent with the [WSPP/Master] Agreement provisions applicable to Market Disruption Events. In the event the CAISO subsequently corrects the LMP for the NP15 Trading Hub, such correction shall be addressed by the Parties in a manner consistent with the [WSPP/Master] Agreement provisions applicable to price corrections. Notwithstanding any other provision of this Confirmation or the [WSPP/Master] Agreement, the LMP Index shall not be revised as a result of a correction to the LMP for the NP 15 Trading Hub made any time after 6 months from the end of the Delivery Term.

"**CAISO Tariff**" means the applicable tariff and protocol provisions of the California Independent System Operator ("CAISO") (as amended from time to time).

"**Change in Law or Market Design**" means any (i) addition, amendment, decision, ruling, order, or binding interpretation to or regarding any Applicable Law by or of a Governmental Authority having jurisdiction or authority, (ii) amendment or modification of or to a transmission provider's open access transmission tariff (OATT) or a Regional Organized Market tariff, including all protocols, policies, procedures and business practices applicable thereto established by the transmission provider or the market operator, but excluding amendments or modifications solely to the costs and charges imposed pursuant to the OATT or tariff, and (iii) to the extent not covered in (i) through (ii) above, material structural change in the wholesale energy markets in the WECC area, that, in any of the circumstances referred to in (i) through (iii), occurs after the Effective Date. A decision by

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a Party to join or participate in a Regional Organized Market does not constitute a Change in Law or Market Event.

"**Effective Date**" means the date on which both Parties have executed and delivered this Confirmation.

"**Firm Transmission**" means NERC Transmission Service Reservation Priority 7-F (firm point-to-point transmission), and includes conditional firm point-to-point transmission.

"**Generally Accepted Industry Practice**" means a practice established by the Western Electricity Coordinating Council ("WECC") or any successor regional reliability council, as such practice may be revised from time to time, or if no practice is so established, means a practice otherwise generally accepted in the WECC region.

"**Governmental Authority**" means any national, state, provincial or local government, any political subdivision thereof, or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law or over the subject matter of this Confirmation.

"**NERC Holiday**" means any day designated as a holiday by NERC.

"**Preschedule Deadline**" means the WECC preschedule deadline as determined in accordance with the then applicable WECC Scheduling Calendar and Generally Accepted Industry Practice.

"**Reference Date**" means the date on which Seller has executed this Confirmation.

"Regional Organized Market" means a FERC-approved organized real-time and day-ahead wholesale energy market operated by a regional transmission organization, independent system operator or other FERC-approved market operator and providing for the centralized dispatch and transmission of energy within or between one or more Balancing Authority Areas in the Western Interconnection.

2. **Generally Accepted Industry Practice**. All scheduling and tagging shall be in accordance with Generally Accepted Industry Practice.

3. **Carbon Free Source/Allocated Generation/Alternate Source.**

(a) The large hydroelectric facilities comprising the Carbon Free Source are owned and operated by BC Hydro. BC Hydro remains responsible at all times for the physical operation of its system and makes all dispatch decisions with respect to generation from any particular generation resource(s). Purchaser acknowledges and agrees that this Confirmation does not constitute a right to call upon or request dispatch of any particular hydroelectric facility comprising the Carbon Free Source, but rather constitutes a firm obligation of Seller to deliver Carbon Free Firm Energy from one or more of the particular facilities comprising the Carbon Free Source, as dispatched by BC Hydro in its sole discretion, and subject at all times to such limitations and exceptions as expressly set forth herein.

(b) The quantity of Carbon Free Firm Energy delivered to Purchaser in any hour will equal the lesser of the hourly aggregate allocated generation quantity of the Carbon Free Source or the hourly e-Tag (the "**Lesser of Calculation**"). Seller will provide a report that includes allocated generation from the Carbon Free Source demonstrating the Lesser of Calculation as part of the monthly invoicing and settlement process. Allocated generation for any hour may not represent the entire metered output of the facility(ies) to which generation is allocated in that hour but

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shall be based on meter data representing actual generation by such facility(ies) that has been allocated and delivered to Purchaser. Seller may update a report (and Lesser of Calculation) provided pursuant hereto in the event of any subsequent corrections to meter data or allocated generation by third parties, with any settlements impacts addressed in the next regular invoice. Seller's reports containing the Lesser of Calculation shall at all times be held confidentially by Purchaser and not disclosed except with the consent of Seller or as expressly permitted pursuant to written confidentiality agreement(s) between Seller and Purchaser (which may include confidentiality provisions of the Master Agreement).

(c) In the event of unforeseen physical or operational limitations that are outside of the Seller's reasonable control (including curtailments or de-rate of transmission service from the BC Hydro Balancing Authority Area or significant or wide-spread loss of generation within the BC Hydro Balancing Authority Area), Seller may deliver energy from an alternate source or group of resources, provided any such alternate source or group of resources is external to the CAISO Balancing Authority Area.

4. **Carbon Adjustment**. In the event that:

(a) the Lesser of Calculation demonstrates that the hourly aggregate allocated generation quantity of the Carbon Free Source for any hour of delivery is less than the quantity for that hour based on the e-Tag, or

(b) energy is delivered from an alternate source or group of resources in accordance with Section 3(c) of this Confirmation,

then the difference (in MWh) between the hourly allocated generation quantity and the e-Tag quantity or the quantity of energy (in MWh) delivered from any such alternate sources or group of resources, as the case may be, will be considered a delivery of energy other than from the Carbon Free Source and Purchaser's sole and exclusive remedy shall be a reduction in the Contract Price by the Carbon Free Price ("**Carbon Adjustment**") for any such energy delivered and all other remedies are hereby waived.

5. **Uncontrollable Force.** The Parties agree that the Carbon Free Firm Energy shall be subject to Uncontrollable Force. For the purposes of Section 10 of the WSPP Agreement:

(a) Any limitation, interruption or curtailment of Firm Transmission on the Agreed Transmission Path or at the Delivery Point by the transmission provider pursuant to the applicable OATT or transmission service contract, by or at the direction of WECC or any applicable NERC-recognized regional reliability coordinator, including for unscheduled flow mitigation, planned outage(s) and full or partial de-rate(s), whether or not known or anticipated as of the Reference Date, (collectively, "**Curtailment**") will be considered Uncontrollable Force.

(b) Failure by Purchaser to receive a market award as the result of an Economic Bid (as defined in the CAISO Tariff) is not considered Uncontrollable Force.

(c) Notwithstanding Section 10 of the WSPP Agreement, Powerex shall have no obligation to provide notice of Uncontrollable Force to Purchaser in connection with any Curtailment as Purchaser (or its designated scheduling agent) will be included on all E-Tags.

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6. **Capacity/Resource Adequacy**.

(a) The Carbon Free Source is a sub-set of generating resources comprising the BC Hydro System. Carbon Free Firm Energy is supported by the Contract Quantity of physical capacity from the BC Hydro System necessary to deliver Carbon Free Firm Energy from the Carbon Free Source. No capacity e-Tags will be created.

(b) Purchaser may use Carbon Free Firm Energy for resource adequacy purposes and has the exclusive right to count the Contract Quantity for such purposes, however Purchaser acknowledges that Seller makes no representation or warranty that the Carbon Free Firm Energy will meet, satisfy or otherwise be eligible for any mandatory or voluntary state, multi-state or multi-jurisdictional resource adequacy program. Purchaser is solely responsible for ensuring the Carbon Free Firm Energy is eligible for any applicable resource adequacy program and satisfying or complying with all requirements (including all planning, contracting, transmission, scheduling and bidding requirements) of any such resource adequacy program.

7. **Change in Law and Market Design**.

(a) If a Party becomes aware that there has occurred or is reasonably likely to occur a Change in Law or Market Design that prohibits, prevents, or materially impedes a Party from performing its obligations under this Confirmation, such Party shall notify the other Party of such Change in Law or Market Design. Promptly following any such notice, the Parties will negotiate in good faith amendments to or a replacement of this Confirmation that will result in substantially the same allocation of rights, benefits, and risks as this Confirmation as of the Effective Date. If such good faith negotiations do not result in such an amendment to or replacement of this Confirmation within a period of 90 days following the start of such negotiations (or any longer time period to which the Parties may agree) or if the nature of the Change in Law or Market Design is such that amendment to or replacement of this Confirmation cannot reasonably be expected to provide the same allocation of rights, benefits, and risks, either Party may, effective upon not less than 60 days' prior written notice to the other Party, terminate this Confirmation at the commencement of or any time while such Change in Law or Market Design has occurred and is continuing, without any penalty or liability of either Party to the other Party; provided, however, that in no event will any such termination excuse any obligation to make payments due or becoming due under this Confirmation for performance rendered prior to such termination. Unless and until any such termination of this Confirmation, each Party shall continue to perform its obligations under this Agreement to the fullest extent not actually prohibited, prevented, or impeded by such Change in Law or Market Design.

(b) To the extent a Change in Law or Market Design occurs that directly prohibits, prevents, or materially impedes either Party from performing its obligations under this Confirmation and the Parties are unable to follow the procedures set forth in paragraph (a) above, such Change in Law or Market Design will be treated as Uncontrollable Force and the affected Party will be entitled to relief therefor in accordance with this Confirmation and the WSPP Agreement.

(c) For purposes of this Section of the Confirmation, "materially" means a level of significance that would, as of the Effective Date, have been reasonably likely to have affected any decision of a reasonable person in the applicable Party's position regarding whether or not to enter into this Confirmation or consummate the transaction(s) contemplated in this Confirmation on the terms and conditions thereof.

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8. **Environmental Attributes**. Purchaser has the right to identify that the Carbon Free Firm Energy was generated by and attributable to the applicable hydroelectric generating facility comprising the Carbon Free Source from which it was delivered, as identified by the allocated generation data provided to Purchaser by Seller, including any applicable non-power attributes and source emissions factor associated with hydroelectric generation.

9. **Electricity Importer**. Purchaser will be the electricity importer into California for purposes of the Mandatory Greenhouse Gas Emissions Reporting and California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations (California Code of Regulations Title 17, Subchapter 10, Articles 2 and 5 respectively) ("**Cap and Trade Regulations**") for the Carbon Free Firm Energy delivered pursuant to this Confirmation and will be solely responsible for satisfying the Compliance Obligation (as defined in the Cap and Trade Regulations), if any, associated with the energy that is scheduled and imported into California pursuant to this Confirmation.

10. **Mobile-Sierra**. The Parties hereby agree that, absent the agreement of both Parties to the proposed changes, the standard of review for changes to this Agreement proposed by a Party, a non-party or FERC acting *sua sponte*, shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the "Mobile Sierra" doctrine) affirmed by *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 128 S. Ct. 2733 (2008) and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 165 (2010).

11. **Severability**. The invalidity, illegality or unenforceability of one or more phrases, sentences, clauses, or sections contained in this Confirmation or the Master Agreement will not affect the validity, legality or enforceability of the remaining portions of this Confirmation or the Master Agreement so long as the material purposes of this Confirmation can be determined and effectuated by such remaining portions.

12. **No Waiver**. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver, relinquishment or modification of any such terms, conditions or rights, and the same shall be and remain at all times in full force and effect.

13. **Counterparts/Electronic Execution**. This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the counterparts were upon a single instrument, and the Parties may rely on electronic or scanned signatures as originals. Delivery of an executed signature page of this Confirmation by electronic mail transmission (in portable document format (PDF) or other format agreed by the Parties) shall be the same as delivery of a manually executed signature page.

[*Signature page follows*]

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The Parties agree it is their intention that the Transaction provided for in this Confirmation is not capable of being agreed to orally and shall only become binding on the Parties when this Confirmation is executed by both Parties.

ACKNOWLEDGED AND AGREED TO:

Powerex Corp. *	**Silicon Valley Clean Energy Authority**, a California joint powers authority
By: [signature]	By: DocuSigned by: Monica Padilla 573EC104110B4C0
Name: Tom Bechard	Name: Monica Padilla
Title: President & CEO	Title: CEO
Date: September 20, 2024	Date: 9/19/2024

* Powerex Corp., doing business in California as Powerex Energy Corp.

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Schedule "A"

In any delivery hour, the energy will be generated by any one or more of the following large hydro generating facilities listed below (in aggregate, the "**Carbon Free Source**").

The NERC Source for the Carbon Free Source is BCH.AGC.HYDRO. The host Balancing Authority for the Carbon Free Source is British Columbia Hydro and Power Authority.

Facility and Unit Name	Technology	Location	CARB ID
Bridge River 1 Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501022
Bridge River 2 Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501023
Cheakamus Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501024
G.M. Shrum Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501028
Kootenay Canal Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501031
Mica Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501035
Peace Canyon Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501036
Revelstoke Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501038
Seven Mile Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501041

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Powerex

CONFIRMATION BETWEEN

Powerex Corp. and Silicon Valley Clean Energy Authority

Powerex Deal No. KIZ070/KIZ071/KIZ075

This confirmation letter ("**Confirmation**") confirms the Transaction entered into on the Effective Date between Powerex Corp. ("**Seller**" or "**Powerex**") and Silicon Valley Clean Energy Authority, a California joint powers authority ("**Purchaser**" or "**SVCEA"**) regarding the sale and purchase of the Product in accordance with the EEI Master Power Purchase and Sale Agreement dated as of November 28, 2016, together with any and all exhibits, schedules or supplements thereto or incorporated therein by reference, each in force and effect from time to time between the Parties (collectively, the "**Master Agreement**") as amended and supplemented by this Confirmation under the following terms and conditions. Consistent with Section 2.2 of the Master Agreement, this Confirmation, together with all other transactions and confirmations between the Parties and the Master Agreement, form a single integrated agreement and are not separate contracts. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement. Purchaser and Seller are each referred to as a "**Party**" and collectively, the "**Parties**".

Seller: Powerex

Purchaser: SVCEA

Transaction: This Transaction is for Seller to sell and deliver and Purchaser to purchase and receive the Contract Quantity of Carbon Free Firm Energy at the Delivery Point each Delivery Hour during each of the Delivery Months in the Delivery Term, all as specified below and in accordance with the terms and conditions set forth in this Confirmation.

Product: WSPP Agreement Schedule C Firm Energy delivered from the Carbon Free Source ("**Carbon Free Firm Energy**"). The Product cannot be curtailed by Seller or Purchaser for economic reasons.

Carbon Free Source: As defined in Schedule "A" hereto.

Delivery Term: [redacted]

Delivery Months: [redacted].

Delivery Hours: [redacted].

Contract Quantity: [redacted]

Delivery Point: [redacted]

Contract Price: The Contract Price consists of the following components, (i) a monthly fixed price payable for each Delivery Month of the Delivery Term ("**Monthly Capacity Price**") and (ii) a price payable for each MWh of Carbon Free Firm Energy delivered to Purchaser ("**Hourly Energy Price**"), each as set forth below:

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Monthly Capacity Price: [redacted], representing the [redacted] price for the forward capacity commitment supporting energy delivery from the BC Hydro System converted to $/MWh across all Delivery Hours in the Delivery Term, multiplied by total MWh of Carbon Free Firm Energy to be delivered in the Delivery Month (*i.e.*, the Contract Quantity of Carbon Free Firm Energy in all Delivery Hours in the Delivery Month).

[redacted] ("**Carbon Free Price**") for each MWh of Carbon Free Firm Energy delivered to Purchaser.

The Monthly Capacity Price will be due and payable on the entire Contract Quantity of Carbon Free Firm Energy each Delivery Hour. The Hourly Energy Price will be due and payable only on the quantity of energy delivered to the Delivery Point in each hour. Notwithstanding and without limiting Section 4.2 of the Master Agreement, in determining the Sales Price there will be no obligation or requirement to attribute or include a value attributable to the capacity or the carbon free attributes.

Transmission and Agreed Transmission Path:

Under this Confirmation and pursuant to Section 10 of the WSPP Agreement, the Parties agree that the transmission path for deliveries to the Delivery Point is BC.US.BORDER to John Day (JOHNDAY) to COB (MALIN500) (the "**Agreed Transmission Path**"). In the event the Parties agree to an alternate delivery point without specifying a transmission path or Seller delivers Carbon Free Firm Energy from an alternative source as permitted hereby, the Agreed Transmission Path will be the path from BC.US.BORDER or alternate source(s) to the Delivery Point or alternate delivery point, as applicable, as e-tagged by Seller.

For the purposes of Section 10 of the WSPP Agreement, "firm transmission" means Firm Transmission (as defined herein).

Seller Transmission:

Seller will schedule and deliver Carbon Free Firm Energy from BC.US.BORDER to the Delivery Point using Firm Transmission. In the event Seller is unable to meet the priority requirements specified above due to transmission de-rates, curtailments outages affecting its conforming transmission service, or other action by the applicable transmission provider affecting the availability of Seller's rights, Seller may use lesser priority transmission service on an interim basis, as necessary.

Purchaser Transmission:

For the purposes of scheduling and receiving Carbon Free Firm Energy at and from the Delivery Point, prior to the Preschedule Deadline Purchaser will provide Seller with transmission specifications for receipt of energy at and from the Delivery Point for all days being prescheduled, and such transmission service will either be Firm Transmission or Network transmission service (NERC Transmission Service Reservation Priority 6 or 7). In the event Purchaser is unable to meet the priority requirements specified above due to transmission de-rates, curtailments outages affecting its conforming transmission service, or other action by the applicable transmission provider affecting the availability of Purchaser's

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Special Conditions

1. **Definitions**. In this Confirmation:

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"**Applicable Law**" means all laws, statutes, rules, regulations, ordinances, codes, treaties, judgments, judicial precedent, orders, decrees, or pronouncements of a Governmental Authority having the effect of law or regulation and applicable to a Party hereto, the performance by a Party of its obligations hereunder or the subject matter of this Confirmation.

"**Balancing Authority**" and "**Balancing Authority Area**" have the meanings ascribed thereto in the Glossary of Terms Used in NERC Reliability Standards (NERC Glossary), as updated December 1, 2023.

"**BC Hydro System**" means the integrated and coordinated system of generating resources owned or contracted for by British Columbia Hydro and Power Authority ("**BC Hydro**").

"**Buyer**", as used in the Master Agreement, means Purchaser.

"**CAISO NP 15 LMP Index**" means, for any day of delivery of the Product, the day-ahead hourly Locational Marginal Price ("**LMP**") (as defined in the CAISO Tariff) at TH_NP15_GEN-APND (or any successor Aggregated Pricing Node (as defined in the CAISO Tariff) for NP 15) ("**NP 15 Trading Hub**") for the applicable hours of delivery as published by the CAISO. In the event the CAISO fails to publish the LMP for the NP 15 Trading Hub, such failure shall be addressed by the Parties in a manner consistent with the [WSPP/Master] Agreement provisions applicable to Market Disruption Events. In the event the CAISO subsequently corrects the LMP for the NP15 Trading Hub, such correction shall be addressed by the Parties in a manner consistent with the [WSPP/Master] Agreement provisions applicable to price corrections. Notwithstanding any other provision of this Confirmation or the [WSPP/Master] Agreement, the LMP Index shall not be revised as a result of a correction to the LMP for the NP 15 Trading Hub made any time after 6 months from the end of the Delivery Term.

"**CAISO Tariff**" means the applicable tariff and protocol provisions of the California Independent System Operator ("CAISO") (as amended from time to time).

"**Change in Law or Market Design**" means any (i) addition, amendment, decision, ruling, order, or binding interpretation to or regarding any Applicable Law by or of a Governmental Authority having jurisdiction or authority, (ii) amendment or modification of or to a transmission provider's open access transmission tariff (OATT) or a Regional Organized Market tariff, including all protocols, policies, procedures and business practices applicable thereto established by the transmission provider or the market operator, but excluding amendments or modifications solely to the costs and charges imposed pursuant to the OATT or tariff, and (iii) to the extent not covered in (i) through (ii) above, material structural change in the wholesale energy markets in the WECC area, that, in any of the circumstances referred to in (i) through (iii), occurs after the Effective Date. A decision by

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"**Firm Transmission**" means NERC Transmission Service Reservation Priority 7-F (firm point-to-point transmission), and includes conditional firm point-to-point transmission.

"**Generally Accepted Industry Practice**" means a practice established by the Western Electricity Coordinating Council ("WECC") or any successor regional reliability council, as such practice may be revised from time to time, or if no practice is so established, means a practice otherwise generally accepted in the WECC region.

"**Governmental Authority**" means any national, state, provincial or local government, any political subdivision thereof, or any other governmental, regulatory, quasi-governmental, judicial, public or statutory instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law or over the subject matter of this Confirmation.

"**NERC Holiday**" means any day designated as a holiday by NERC.

"**Preschedule Deadline**" means the WECC preschedule deadline as determined in accordance with the then applicable WECC Scheduling Calendar and Generally Accepted Industry Practice.

"**Reference Date**" means the date on which Seller has executed this Confirmation.

"Regional Organized Market" means a FERC-approved organized real-time and day-ahead wholesale energy market operated by a regional transmission organization, independent system operator or other FERC-approved market operator and providing for the centralized dispatch and transmission of energy within or between one or more Balancing Authority Areas in the Western Interconnection.

2. **Generally Accepted Industry Practice**. All scheduling and tagging shall be in accordance with Generally Accepted Industry Practice.

3. **Carbon Free Source/Allocated Generation/Alternate Source.**

(a) The large hydroelectric facilities comprising the Carbon Free Source are owned and operated by BC Hydro. BC Hydro remains responsible at all times for the physical operation of its system and makes all dispatch decisions with respect to generation from any particular generation resource(s). Purchaser acknowledges and agrees that this Confirmation does not constitute a right to call upon or request dispatch of any particular hydroelectric facility comprising the Carbon Free Source, but rather constitutes a firm obligation of Seller to deliver Carbon Free Firm Energy from one or more of the particular facilities comprising the Carbon Free Source, as dispatched by BC Hydro in its sole discretion, and subject at all times to such limitations and exceptions as expressly set forth herein.

(b) The quantity of Carbon Free Firm Energy delivered to Purchaser in any hour will equal the lesser of the hourly aggregate allocated generation quantity of the Carbon Free Source or the hourly e-Tag (the "**Lesser of Calculation**"). Seller will provide a report that includes allocated generation from the Carbon Free Source demonstrating the Lesser of Calculation as part of the monthly invoicing and settlement process. Allocated generation for any hour may not represent the entire metered output of the facility(ies) to which generation is allocated in that hour but

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shall be based on meter data representing actual generation by such facility(ies) that has been allocated and delivered to Purchaser. Seller may update a report (and Lesser of Calculation) provided pursuant hereto in the event of any subsequent corrections to meter data or allocated generation by third parties, with any settlements impacts addressed in the next regular invoice. Seller's reports containing the Lesser of Calculation shall at all times be held confidentially by Purchaser and not disclosed except with the consent of Seller or as expressly permitted pursuant to written confidentiality agreement(s) between Seller and Purchaser (which may include confidentiality provisions of the Master Agreement).

(c) In the event of unforeseen physical or operational limitations that are outside of the Seller's reasonable control (including curtailments or de-rate of transmission service from the BC Hydro Balancing Authority Area or significant or wide-spread loss of generation within the BC Hydro Balancing Authority Area), Seller may deliver energy from an alternate source or group of resources, provided any such alternate source or group of resources is external to the CAISO Balancing Authority Area.

4. **Carbon Adjustment**. In the event that:

(a) the Lesser of Calculation demonstrates that the hourly aggregate allocated generation quantity of the Carbon Free Source for any hour of delivery is less than the quantity for that hour based on the e-Tag, or

(b) energy is delivered from an alternate source or group of resources in accordance with Section 3(c) of this Confirmation,

then the difference (in MWh) between the hourly allocated generation quantity and the e-Tag quantity or the quantity of energy (in MWh) delivered from any such alternate sources or group of resources, as the case may be, will be considered a delivery of energy other than from the Carbon Free Source and Purchaser's sole and exclusive remedy shall be a reduction in the Contract Price by the Carbon Free Price ("**Carbon Adjustment**") for any such energy delivered and all other remedies are hereby waived.

5. **Uncontrollable Force.** The Parties agree that the Carbon Free Firm Energy shall be subject to Uncontrollable Force. For the purposes of Section 10 of the WSPP Agreement:

(a) Any limitation, interruption or curtailment of Firm Transmission on the Agreed Transmission Path or at the Delivery Point by the transmission provider pursuant to the applicable OATT or transmission service contract, by or at the direction of WECC or any applicable NERC-recognized regional reliability coordinator, including for unscheduled flow mitigation, planned outage(s) and full or partial de-rate(s), whether or not known or anticipated as of the Reference Date, (collectively, "**Curtailment**") will be considered Uncontrollable Force.

(b) Failure by Purchaser to receive a market award as the result of an Economic Bid (as defined in the CAISO Tariff) is not considered Uncontrollable Force.

(c) Notwithstanding Section 10 of the WSPP Agreement, Powerex shall have no obligation to provide notice of Uncontrollable Force to Purchaser in connection with any Curtailment as Purchaser (or its designated scheduling agent) will be included on all E-Tags.

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6. **Capacity/Resource Adequacy**.

(a) The Carbon Free Source is a sub-set of generating resources comprising the BC Hydro System. Carbon Free Firm Energy is supported by the Contract Quantity of physical capacity from the BC Hydro System necessary to deliver Carbon Free Firm Energy from the Carbon Free Source. No capacity e-Tags will be created.

(b) Purchaser may use Carbon Free Firm Energy for resource adequacy purposes and has the exclusive right to count the Contract Quantity for such purposes, however Purchaser acknowledges that Seller makes no representation or warranty that the Carbon Free Firm Energy will meet, satisfy or otherwise be eligible for any mandatory or voluntary state, multi-state or multi-jurisdictional resource adequacy program. Purchaser is solely responsible for ensuring the Carbon Free Firm Energy is eligible for any applicable resource adequacy program and satisfying or complying with all requirements (including all planning, contracting, transmission, scheduling and bidding requirements) of any such resource adequacy program.

7. **Change in Law and Market Design**.

(a) If a Party becomes aware that there has occurred or is reasonably likely to occur a Change in Law or Market Design that prohibits, prevents, or materially impedes a Party from performing its obligations under this Confirmation, such Party shall notify the other Party of such Change in Law or Market Design. Promptly following any such notice, the Parties will negotiate in good faith amendments to or a replacement of this Confirmation that will result in substantially the same allocation of rights, benefits, and risks as this Confirmation as of the Effective Date. If such good faith negotiations do not result in such an amendment to or replacement of this Confirmation within a period of 90 days following the start of such negotiations (or any longer time period to which the Parties may agree) or if the nature of the Change in Law or Market Design is such that amendment to or replacement of this Confirmation cannot reasonably be expected to provide the same allocation of rights, benefits, and risks, either Party may, effective upon not less than 60 days' prior written notice to the other Party, terminate this Confirmation at the commencement of or any time while such Change in Law or Market Design has occurred and is continuing, without any penalty or liability of either Party to the other Party; provided, however, that in no event will any such termination excuse any obligation to make payments due or becoming due under this Confirmation for performance rendered prior to such termination. Unless and until any such termination of this Confirmation, each Party shall continue to perform its obligations under this Agreement to the fullest extent not actually prohibited, prevented, or impeded by such Change in Law or Market Design.

(b) To the extent a Change in Law or Market Design occurs that directly prohibits, prevents, or materially impedes either Party from performing its obligations under this Confirmation and the Parties are unable to follow the procedures set forth in paragraph (a) above, such Change in Law or Market Design will be treated as Uncontrollable Force and the affected Party will be entitled to relief therefor in accordance with this Confirmation and the WSPP Agreement.

(c) For purposes of this Section of the Confirmation, "materially" means a level of significance that would, as of the Effective Date, have been reasonably likely to have affected any decision of a reasonable person in the applicable Party's position regarding whether or not to enter into this Confirmation or consummate the transaction(s) contemplated in this Confirmation on the terms and conditions thereof.

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8. **Environmental Attributes**. Purchaser has the right to identify that the Carbon Free Firm Energy was generated by and attributable to the applicable hydroelectric generating facility comprising the Carbon Free Source from which it was delivered, as identified by the allocated generation data provided to Purchaser by Seller, including any applicable non-power attributes and source emissions factor associated with hydroelectric generation.

9. **Electricity Importer**. Purchaser will be the electricity importer into California for purposes of the Mandatory Greenhouse Gas Emissions Reporting and California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms regulations (California Code of Regulations Title 17, Subchapter 10, Articles 2 and 5 respectively) ("**Cap and Trade Regulations**") for the Carbon Free Firm Energy delivered pursuant to this Confirmation and will be solely responsible for satisfying the Compliance Obligation (as defined in the Cap and Trade Regulations), if any, associated with the energy that is scheduled and imported into California pursuant to this Confirmation.

10. **Mobile-Sierra**. The Parties hereby agree that, absent the agreement of both Parties to the proposed changes, the standard of review for changes to this Agreement proposed by a Party, a non-party or FERC acting *sua sponte*, shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the "Mobile Sierra" doctrine) affirmed by *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 128 S. Ct. 2733 (2008) and *NRG Power Marketing LLC v. Maine Public Utility Commission*, 558 U.S. 165 (2010).

11. **Severability**. The invalidity, illegality or unenforceability of one or more phrases, sentences, clauses, or sections contained in this Confirmation or the Master Agreement will not affect the validity, legality or enforceability of the remaining portions of this Confirmation or the Master Agreement so long as the material purposes of this Confirmation can be determined and effectuated by such remaining portions.

12. **No Waiver**. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions hereof, or to take advantage of any of its rights hereunder, shall not constitute a waiver, relinquishment or modification of any such terms, conditions or rights, and the same shall be and remain at all times in full force and effect.

13. **Counterparts/Electronic Execution**. This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the counterparts were upon a single instrument, and the Parties may rely on electronic or scanned signatures as originals. Delivery of an executed signature page of this Confirmation by electronic mail transmission (in portable document format (PDF) or other format agreed by the Parties) shall be the same as delivery of a manually executed signature page.

[*Signature page follows*]

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The Parties agree it is their intention that the Transaction provided for in this Confirmation is not capable of being agreed to orally and shall only become binding on the Parties when this Confirmation is executed by both Parties.

ACKNOWLEDGED AND AGREED TO:

Powerex Corp. *	**Silicon Valley Clean Energy Authority**, a California joint powers authority
By: [signature]	By: DocuSigned by: Monica Padilla 573FC104110B4C0...
Name: Tom Bechard	Name: Monica Padilla
Title: President & CEO	Title: CEO
Date: September 20, 2024	Date: 9/19/2024

* Powerex Corp., doing business in California as Powerex Energy Corp.

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Schedule "A"

In any delivery hour, the energy will be generated by any one or more of the following large hydro generating facilities listed below (in aggregate, the "**Carbon Free Source**").

The NERC Source for the Carbon Free Source is BCH.AGC.HYDRO. The host Balancing Authority for the Carbon Free Source is British Columbia Hydro and Power Authority.

Facility and Unit Name	Technology	Location	CARB ID
Bridge River 1 Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501022
Bridge River 2 Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501023
Cheakamus Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501024
G.M. Shrum Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501028
Kootenay Canal Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501031
Mica Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501035
Peace Canyon Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501036
Revelstoke Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501038
Seven Mile Hydroelectric Generation Facility (CAN)	Hydro	British Columbia	501041

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WSPP RESOURCE ADEQUACY CONFIRMATION

This Confirmation under the WSPP Agreement confirms the transaction between **CITY OF RIVERSIDE**, **a California municipality** ("Seller") and **Silicon Valley Clean Energy**, **a California joint powers authority** ("Buyer"), each individually a "Party" and together the "Parties", dated as of the last dated signature on the signature page hereto (the "**Effective Date**"),, by which Seller agrees to sell and deliver, and Purchaser agrees to purchase and receive, the Product (the "Transaction"). This Transaction is governed by the WSPP Agreement effective as of September 11, 2023, along with any annexes and amendments thereto (collectively, the "WSPP Agreement"). Any conflicts between the WSPP Agreement and the Confirmation shall be resolved in the following order of control: first, the Confirmation; and second, the WSPP Agreement. Capitalized terms not otherwise defined in this Confirmation or the WSPP Agreement are defined in the Tariff.

ARTICLE 1
TRANSACTION TERMS

Purchaser: Silicon Valley Clean Energy

Seller: City of Riverside

Product, Delivery Period, Contract Quantity, Contract Price and other specifics of the Product are in Appendix B. Appendices A, B and C are incorporated into this Confirmation.

ARTICLE 2
DELIVERY OBLIGATIONS AND ADJUSTMENTS

2.1 Sale and Delivery of Product

(a) For each Showing Month of the Delivery Period, Seller will sell and deliver to Purchaser, and Purchaser will purchase and receive from Seller, the Contract Quantity of the Product from the Shown Unit(s).

(b) Seller will deliver the Contract Quantity by submitting to CAISO in its Supply Plan the Shown Unit and the characteristics of the Shown Unit and Product for Purchaser, as further specified in Appendix B, all in compliance with this Confirmation.

(c) Seller will cause all Supply Plans to meet and be filed in conformance with the requirements of the CPUC and the Tariff. Seller will submit, or cause the Shown Unit's SC to submit, on a timely basis with respect to each applicable Showing Month, Supply Plans in accordance with the Tariff and CPUC requirements and no later than the Compliance Showing Deadline for such Showing Month, to identify and confirm the Product delivered to Purchaser for each Showing Month of the

Delivery Period. The total amount of Product identified and confirmed for each day of such Showing Month will equal the Contract Quantity, less any excused reductions to the Contract Quantity in accordance with Section 2.2(a) and Section 2.2(b).

(d) Seller shall sell and deliver Product from a Shown Unit that meets the requirements set forth in Appendix B, including the Resource Category and, if applicable, the Flexible Capacity Category. In no event shall a Shown Unit utilize coal or coal materials as a source of fuel. A Shown Unit must be a specific resource that is connected directly to the CAISO controlled grid or be under the operational control of CAISO. A Shown Unit may not be an unspecified import. Seller will identify the Shown Unit(s) and Contract Quantity by providing Purchaser with the specific Unit information contemplated in Appendix B no later than the Notification Deadline for the relevant Showing Month.

(e) If CAISO rejects either the Supply Plan or the Resource Adequacy Plan with respect to any part of the Contract Quantity for the Shown Unit in any Showing Month, the Parties will confer, make such corrections as are necessary for acceptance, and resubmit the corrected Supply Plan or Resource Adequacy Plan for validation before the applicable deadline for the Showing Month.

(f) The Product is delivered and received when the CIRA Tool shows the Supply Plan accepted for the Product from the Shown Unit by CAISO or Seller complies with Purchaser's instruction to withhold all or part of the Contract Quantity from Seller's Supply Plan for any Showing Month during the Delivery Period. Seller has failed to deliver the Product if (i) Purchaser has elected to submit the Product from the Shown Unit in its Resource Adequacy Plan and such submission is accepted by the CPUC and the CAISO but the Supply Plan and Resource Adequacy Plan are not matched in the CIRA Tool and are rejected by CAISO notwithstanding performance of Section 2.1(e) or (ii) Seller fails to submit the volume of Contract Quantity for any Showing Month in such amount as instructed by Purchaser for the applicable Showing Month. Purchaser will have received the Contract Quantity if (i) Seller's Supply Plan is accepted by the CAISO for the applicable Showing Month or (ii) Seller complies with Purchaser's instruction to withhold all or part of the Contract Quantity from Seller's Supply Plan for the applicable Showing Month. Seller will not have failed to deliver the Contract Quantity if Purchaser fails or chooses not to submit the Shown Unit and the Product in its Resource Adequacy Plan with the CPUC or CAISO.

(g) The Shown Unit must not have characteristics that would trigger the need for Purchaser or Seller to file an advice letter or other request for authorization with the CPUC or for Purchaser to make a compliance filing pursuant to California Public Utilities Code Section 380.[1]

[1] For example, contracts with Once-Through Cooling resources that terminate one year or less before the State Water Resources Control Board compliance deadline require an advice letter filing under CPUC Decision 12-04-046

2.2 Reductions in Contract Quantity

(a) Excused Reductions in Unit NQC/EFC or Uncontrollable Forces: Seller's obligation to deliver the applicable Contract Quantity for any Showing Month may be reduced if the Unit experiences a reduction in Unit NQC and/or EFC as determined by the CAISO, or for Uncontrollable Forces. If the Unit experiences such a reduction in Unit NQC and/or Unit EFC, then Seller had the option, but not the obligation, upon written notice to Purchaser by the Notification Deadline, to provide Alternative Capacity for any Showing Month from a generation unit other than the Unit (a "Replacement Unit"). If seller forgoes option to provide Alternative Capacity, then

In the case of reduction in the Unit EFC or Unit NQC, such reduction shall be calculated in accordance with the following formulas:

In the case of reduction in the Unit EFC:

Amount of reduction in the Unit EFC * Prorated Percentage of Unit Flexible Factor

In the case of reduction in the Unit NQC:

Amount of reduction in the Unit NQC * Prorated Percentage of Unit Factor

(b) Planned Outage Reduction in Non-Summer Month: If during any Non-Summer Month the Shown Unit described on Appendix B is not available to provide the full amount of the Contract Quantity as a result of any Planned Outage of the Unit, then (i) Seller shall notify Purchaser in writing, by the Notification Deadline of the amount, if any, of the Contract Quantity that Seller will not sell and deliver (the "Planned Outage Reduction"), or will sell and deliver from a different Shown Unit that meets requirements of this Confirmation, and (ii) Seller will be excused from providing the Contract Quantity in an amount equal to the Planned Outage Reduction, and Seller will not be liable to Purchaser for any penalties or damages associated with such Planned Outage Reduction. For the avoidance of doubts, Planned Outages shall not be excused during Summer Months, and any notices claiming Planned Outage Reductions provided by Seller to Purchaser after the Notification Deadline shall be deemed null and void.

2.3 Purchaser's Remedies for Seller's Failure to Deliver Contract Quantity

(a) If Seller fails to deliver any part of the Contract Quantity as required herein for any Showing Month, Seller (i) shall refund to Purchaser an amount equal to the product of (A) the amount of Contract Quantity as to which Purchaser pre-paid under Section 3.1 but that was not delivered and (B) the Contract Price (in $/kW-month) for Contract Month, and (ii) is liable for damages pursuant to Section 21.3 of the WSPP Agreement, without reference to the word "hourly" therein.

(b) Seller agrees to indemnify, defend and hold harmless Purchaser from any penalties, fines or costs, including Environmental Costs, assessed against Purchaser by the CPUC, CAISO or other Governmental Body resulting from Seller's failure to deliver the Product. The Parties will use commercially reasonable efforts to minimize such penalties, fines or costs; provided, that in no event will Purchaser be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties, fines or costs. If Seller fails to pay the foregoing penalties, fines or costs, or fails to reimburse Purchaser for those penalties, fines or costs, then, without prejudice to its other rights and remedies, Purchaser may setoff and recoup those penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation or the WSPP Agreement.

2.4 Purchaser's Re-Sale of Product

(a) Purchaser may re-sell all or part of the Product; provided that any such re-sale must not increase Seller's obligations hereunder other than as set forth in this Section 2.4(a). For any such a resale, Resource Adequacy Plan of Purchaser as used herein will refer to the Resource Adequacy Plan of Subsequent Purchaser. Seller will, or will cause the Unit's SC, to follow Purchaser's instructions with respect to providing such resold Product to Subsequent Purchasers, to the extent such instructions are consistent with Seller's obligations under this Confirmation. Seller will, and will cause the Unit's SC, to take all commercially reasonable actions and execute all documents or instruments reasonably necessary to allow such Subsequent Purchasers to use such resold Product in a manner consistent with Purchaser's rights under this Confirmation. If Purchaser incurs any liability to a Subsequent Purchaser due to the failure of Seller or the Unit's SC to comply with this Confirmation, Seller will be liable to Purchaser for the same amounts Seller would have owed Purchaser under this Confirmation if Purchaser had not resold the Product.

(b) Purchaser will notify Seller in writing of any resale of Product and the Subsequent Purchaser no later than the Notification Deadline for the Showing Month.

(c) If a centralized capacity market develops within the CAISO region beyond the current central procurement entity structure, into which capacity may be offered or submitted, Purchaser will have exclusive rights to offer, bid, or otherwise submit the applicable Contract Quantity of Product for each day of each Showing Month provided to Purchaser pursuant to this Confirmation for re-sale in such market, and retain and receive any and all related revenues. For purposes of this paragraph, the Competitive Solicitation Processes framework in Section 43A.4 of the CAISO Tariff does not constitute a centralized capacity market and any rights granted under this paragraph do not apply to the CAISO's Competitive Solicitation Processes. During the Term, because of limitations in the CAISO's system relative to the Competitive Solicitation Processes that prohibit multiple bidders for the same

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resource, Purchaser may not submit a bid into the Competitive Solicitation Processes for the Product, provided that if during the Term the CAISO should change its rules for the Competitive Solicitation Processes to allow multiple bidders for a single resource, then the Purchaser and Seller shall coordinate compliance with the CAISO's requirements for such participation.

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ARTICLE 3
PAYMENTS

3.1 Payment

After Seller has delivered the Contract Quantity in accordance with Section 2.1 and issued its invoice, Purchaser must pay for the Product as provided in Article 9 of the WSPP Agreement. The Monthly RA Capacity Payment shall equal the product of (a) the applicable Contract Price for that Showing Month, (b) the Contract Quantity for the Showing Month and (c) 1,000, rounded to the nearest penny (i.e., two decimal places).

The Payment is calculated as follows:

Payment = $\Sigma ni(A_i \times B_i \times 1000)$
where:
A = Contract Price (in $/kW-month) for Contract Month *i*
B = Contract Quantity (in MW) transferred by Seller for Contract Month *i*
i = Each Contract Month
n = number of Contract Months

The Payment calculation shall be rounded to two decimal place.

3.2 Allocation of Other Payments and Costs

(a) Seller will receive any revenues from, and must pay all costs charged by, CAISO or any other third party with respect to the Unit for (i) start-up, shutdown, and minimum load costs, (ii) capacity for ancillary services, (iii) energy sales, (iv) flexible ramping product, or (v) black start or reactive power services. Purchaser must promptly report receipt of any such revenues to Seller. Purchaser must pay to Seller any such amounts described in this Section 3.2(a) received by Purchaser or a Subsequent Purchaser. Without prejudice to its other rights and remedies, Seller may setoff and recoup any such amounts that are not paid to it against any amounts owed to Purchaser under the WSPP Agreement.

(b) Purchaser is to receive and retain all revenues associated with the Contract Quantity of Product during the Delivery Period, including any capacity and availability revenues from the Capacity Procurement Mechanism, or its successor, RUC Availability Payments, or its successor, but excluding payments described in Section 3.2(a)(i)-(v) or 3.2(d). Seller must promptly report receipt of any such revenues to Purchaser. Seller must pay to Purchaser any such amounts received by Seller, or a Unit's SC, owner, or operator. Without prejudice to its other rights, Purchaser may set off and recoup any such amounts that are not paid to it against amounts owed to Seller under the WSPP Agreement.

(c) If CAISO designates any part of the Contract Quantity as Capacity Procurement Mechanism Capacity, then Seller will, or will cause the Unit's SC to, within one Business Day of the time Seller receives notification from CAISO, notify Purchaser and not accept any such designation by CAISO unless and until Purchaser has agreed to accept such designation.

(d) Any Availability Incentive Payments or Non-Availability Charges are for Seller to receive and pay.

ARTICLE 4
OTHER PURCHASER AND SELLER COVENANTS

4.1 CAISO Requirements

Seller must schedule or cause the Unit's SC to schedule or make available to CAISO the Contract Quantity of the Product during the Delivery Period, in compliance with the Tariff, and perform all, or cause the Unit's SC, owner, or operator to perform all, obligations under applicable law and the Tariff relating to the Product. Purchaser is not liable for, and Seller will indemnify and hold Purchaser harmless from, the failure of Seller or the Unit's SC, owner, or operator to comply with the Tariff, and for any penalties, fines or costs imposed on Seller or the Unit's SC, owner, or operator for noncompliance.

4.2 Seller's and Purchaser's Duties to Take Actions to Allow Product Utilization

Throughout the Delivery Period, Purchaser and Seller will take all commercially reasonable actions and execute all documents or instruments reasonably necessary to ensure Purchaser's rights to the Contract Quantity for the sole benefit of Purchaser or any Subsequent Purchaser. If necessary, the Parties further agree to negotiate in good faith to amend this Confirmation to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by CAISO or an applicable Governmental Body to maintain the benefits of the Transaction.

4.3 Seller's Representations and Warranties

Seller represents and warrants to Purchaser throughout the Delivery Period that:

(a) no part of the Contract Quantity during the Delivery Period has been committed by Seller to any third party to satisfy Compliance Obligations or analogous obligations in any CAISO or non-CAISO markets;

(b) the Unit qualifies under the Tariff for the Product, and the Unit and Seller are capable of delivering the Product;

(c) the aggregation of all amounts of Capacity Attributes that Seller has sold, assigned, or transferred for the Unit during the Delivery Period does not exceed the Unit NQC and, if applicable, the Unit EFC, for that Unit;

(d) if applicable, Seller has notified either the Unit's SC or the entity from which Seller purchased the Product that Seller has transferred the Contract Quantity of Product for the Delivery Period to Purchaser; and

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

ARTICLE 5
ADDITIONAL WSPP AGREEMENT AMENDMENTS; GENERAL PROVISIONS

5.1 Termination Payment

For this Transaction, the following is inserted as a penultimate paragraph in Section 22.2(b) of the WSPP Agreement:

> "If Purchaser is the Non-Defaulting Party and Purchaser reasonably expects to incur or be liable for any penalties, fines or costs from CAISO, or any Governmental Body, because Purchaser or a Subsequent Purchaser is not able to include the applicable Contract Quantity in a Compliance Showing due to Seller's Event of Default, then Purchaser may, in good faith, estimate the amount of those penalties, fines or costs and include the estimate in its determination of the Termination Payment, subject to accounting to Seller when those penalties, fines or costs are finally ascertained. If this accounting establishes that Purchaser's estimate exceeds the actual amount of penalties, fines or costs, Purchaser must promptly remit to Seller the excess amount with interest in accordance with Section 9.3 of the WSPP Agreement. The rights and obligations with respect to determining and paying any Termination Payment, and any dispute resolution provisions with respect thereto, survive the termination of this Transaction and continue until after those penalties, fines or costs are finally ascertained."

5.2 Payment Netting

Section 28.1 of the WSPP Agreement shall be applicable and the Parties shall net monthly payments in accordance with Exhibit A of the WSPP.

5.3 Confidentiality

Notwithstanding Section 30.1 of the WSPP Agreement, (i) Purchaser may disclose information in order to support its Compliance Showings or otherwise show it has met its Compliance Obligations; (ii) Seller may disclose to a Unit's SC or as necessary for Supply Plans; (iii) each Party may disclose information to the independent evaluator or other administrator of any competitive solicitation process of Purchaser, which in turn may disclose such information to CAISO or any Governmental Body; and (iv) Purchaser may disclose information to any Subsequent Purchaser. Each Party recognizes that this Confirmation is subject to the requirements of the California Public Records Act (Government Code Section 6250 et seq.).

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5.4 Dodd-Frank Act

The Parties intend this Transaction to be a "customary commercial arrangement" as described in Section II.A.1 of Commodity Futures Trading Commission, *Proposed Guidance, Certain Natural Gas and Electric Power Contracts*, 81 Fed. Reg. 20583 at 20586 (Apr. 8, 2016) and a "Forward Capacity Transaction" within the meaning of Commodity Futures Trading Commission, *Final Order in Response to a Petition From Certain Independent System Operators and Regional Transmission Organizations To Exempt Specified Transactions Authorized by a Tariff or Protocol Approved by the Federal Energy Regulatory Commission*, 78 Fed. Reg. 19,880 (Apr. 2, 2013).

5.5 Governing Law

Notwithstanding any other provision of the WSPP Agreement, this Confirmation and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law.

5.6 Credit Requirements

Notwithstanding any provision in the WSPP Agreement to the contrary, including Section 27, neither Party shall be required to post collateral or other security for this Transaction.

5.7 Counterparts

This Confirmation may be signed in any number of counterparts with the same effect as if the signatures to the counterparts were upon a single instrument. The Parties may rely on electronic, facsimile or scanned signatures as originals under this Confirmation. Delivery of an executed signature page of this Confirmation by facsimile or electronic mail transmission (including PDF) shall be the same as delivery of a manually executed signature page.

5.8 Entire Agreement; No Oral Agreements or Modifications

This Confirmation sets forth the terms of the Transaction into which the Parties have entered and shall constitute the entire agreement between the Parties relating to the contemplated purchase and sale of the Product. Notwithstanding any other provision of the Agreement, this Transaction may be confirmed only through a Documentary Writing executed by both Parties, and no amendment or modification to this Transaction shall be enforceable except through a Documentary Writing executed by both Parties.

[*Signatures appear on the following page.*]

AGREED AS OF THE EFFECTIVE DATE:

Silicon Valley Clean Energy, a California joint powers authority	**CITY OF RIVERSIDE, a California municipality**
By: DocuSigned by: Monica Padilla 573FC104110B4C0...	By: Jennine K Camara Jennine K Camara (Sep 23, 2024 11:01 PDT)
Name: Monica Padilla	Name: Jennine Camara
Title: CEO	Title: Power Resources Manager
Date: 9/20/2024	Date: Sep 23, 2024

Jarod Mayne

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APPENDIX A
DEFINED TERMS

"CAISO" means the California ISO.

"Capacity Attributes" means attributes of the Unit that may be counted toward Compliance Obligations, including: flexibility, dispatchability, physical location or point of electrical interconnection of the Unit; Unit ability to generate at a given capacity level, provide ancillary services, or ramp up or down at a given rate; any current or future defined characteristics, certificates, tags, credits, or accounting constructs of the Unit, howsoever entitled, identified from time to time by the CAISO or a Governmental Body having jurisdiction over Compliance Obligations.

"CIRA Tool" means the CAISO Customer Interface for Resource Adequacy.

"Compliance Obligations" means, as applicable, RAR, Local RAR and FCR.

"Compliance Showings" means the applicable LSE's compliance with the resource adequacy requirements of the CPUC for an applicable Showing Month.

"CPUC Decisions" means any currently effective or future decisions, resolutions, or rulings related to resource adequacy.

"Environmental Costs" means (i) costs incurred in connection with acquiring and maintaining all environmental permits and licenses for the Product, (ii) the Product's compliance with all applicable environmental laws, rules, and regulations, including capital costs for pollution mitigation or installation of emissions control equipment required to permit or license the Product, (iii) all operating and maintenance costs for operation of pollution mitigation or control equipment, (iv) costs of permit maintenance fees and emission fees as applicable, (v) the costs of all emission reductions that have been authorized by a local air pollution control district or emissions trading credits or units pursuant to the California Health & Safety Code, market based incentive programs such as the South Coast Air Quality Management District's Regional Clean Air Incentives Market, authorizations to emit sulfur dioxide and oxides of nitrogen by the Environmental Protection Agency, and any costs related to greenhouse gas emissions required by any applicable environmental laws, rules, regulations, or permits to operate, and (vi) costs associated with the disposal, clean-up, decontamination or remediation, on or off site, of hazardous substances.

"FCR" means the Flexible Capacity requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, the CAISO pursuant to the Tariff, or other Governmental Body having jurisdiction over Compliance Obligations and includes any non-binding advisory showing which an LSE is required to make with respect to flexible capacity.

"FCR Attributes" means, with respect to a Unit, any and all resource adequacy attributes of the Unit, as may be identified from time to time by the CPUC, CAISO, or other Governmental Body having jurisdiction over Compliance Obligations, that can be counted toward an LSE's FCR.

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"Governmental Body" means any federal, state, local, municipal or other government; any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and any court or governmental tribunal.

"Local RAR" means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction over Compliance Obligations.

"LSE" means "Load Serving Entity" as such term is used in Section 40.9 of the Tariff.

"MW" means megawatt.

"Non-Summer Month" is months of January, February, March, April, November, or December.

"Notification Deadline" is fifteen (15) Business Days before the relevant deadlines for the corresponding Compliance Showings applicable to the relevant Showing Month.

"Planned Outage" means, subject to and as further described in the CPUC Decisions, a CAISO-approved, planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.

"Product" means RAR, Local RAR and FCR, for the Delivery Period, Unit, Contract Quantity, Contract Price and other specifications contained in Appendix B.

"Prorated Percentage of Unit Factor" means the percentage, as specified in Appendix B, of the Unit NQC as of the Effective Date that is dedicated to Purchaser under this Transaction.

"Prorated Percentage of Unit Flexible Factor" means the percentage, as specified in Appendix B, of the Unit EFC as of the Effective Date that is dedicated to Purchaser under this Transaction.

"RAR" means the resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, by CAISO pursuant to the Tariff, or by any other Governmental Body having jurisdiction over Compliance Obligations.

"SC" means Scheduling Coordinator as defined in the Tariff.

"Showing Month" means the calendar month of the Delivery Period that is the subject of the related Compliance Showing.

"Shown Unit" means a Unit specified by Seller in a Supply Plan, but not necessarily identified by Seller to Purchaser on the Effective Date.

"Summer Month" is months of May, June, July, August, September, or October.

"Subsequent Purchaser" means the purchaser of Product from Purchaser in a re-sale of Product by Purchaser.

"Tariff" means the CAISO Tariff, including any current CAISO-published "Operating Procedures" and "Business Practice Manuals," in each case as amended or supplemented from time to time.

"Uncontrollable Forces" shall have the meaning set forth in the WSPP Agreement, except that notwithstanding Section 10 of the WSPP Agreement, a Party's failure to perform shall not be excused as an Uncontrollable Force due to "drought" or a "failure to obtain the necessary authorizations and approvals from, any governmental agency or authority."

"Unit" means the generation unit described in Appendix B and any Shown Unit. A Unit may not be a nuclear or coal-fired generating facility.

"Unit EFC" means Unit Effective Capacity and is the lesser of that of the Unit as set by CAISO as of the Effective Date and that of the Unit on a subsequent date of determination.

"Unit NQC" means Unit Net Qualifying Capacity and is the lesser of that of the Unit as set by CAISO as of the Effective Date and that of the Unit on a subsequent date of determination.

APPENDIX B
PRODUCT AND UNIT INFORMATION

Product:

☒ RAR ☐ Local RAR ☐ FCR Attributes

Delivery Period: [redacted].

Contract Quantity and Contract Price:

Showing Month and Year	Contract Quantity (MW)	SYCAMR_2_ UNIT 2	SYCAMR_2_ UNIT 3	VESTAL_2_W ELLHD	Contract Price ($/kW-mo)
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Unit Information:

Unit Specific Information	
Resource Name	Kern River Cogen Facility
CAISO Resource ID	SYCAMR_2_UNIT 2
SCID of Resource	TS12
Unit NQC by month	74
Unit EFC by month	N/A
Resource Type	Gas
Minimum Qualified Flexible Capacity Category	N/A
TAC Area	SCE
Capacity Area	CAISO System
Resource Category as defined by the CPUC	4

Unit Specific Information	
Resource Name	Kern River Cogen Facility
CAISO Resource ID	SYCAMR_2_UNIT 3
SCID of Resource	TS12
Unit NQC by month	74
Unit EFC by month	N/A
Resource Type	Gas
Minimum Qualified Flexible Capacity Category	N/A
TAC Area	SCE
Capacity Area	CAISO System
Resource Category as defined by the CPUC	4

Unit Specific Information	

Resource Name	VESTAL 2 WELLHD
CAISO Resource ID	VESTAL_2_WELLHD
SCID of Resource	WPX1
Unit NQC by month	49
Unit EFC by month	49
Resource Type	Gas
Minimum Qualified Flexible Capacity Category	1
TAC Area	SCE
Capacity Area	Big Creek-Ventura
Resource Category as defined by the CPUC	4

APPENDIX C
NOTICE INFORMATION

Buyer: **Silicon Valley Clean**, a California joint powers authority	Seller: **City of Riverside**
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

Confirm RVSD Sell to SVCE- 28MW JUN2025 System PE

Final Audit Report 2024-09-23

Created:	2024-09-23
By:	[redacted]
Status:	Signed
Transaction ID:	[redacted]

"Confirm RVSD Sell to SVCE- 28MW JUN2025 System PE" History

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